

REPORT OF THE EXECUTIVE OFFICER
State Allocation Board Meeting, April 29, 2026

PROPOSED REGULATORY AMENDMENTS FOR THE SCHOOL FACILITY PROGRAM

PURPOSE OF REPORT

To present the State Allocation Board (Board) with clarifying changes to the Grant Agreement [Proposition 2] regarding common eligible and ineligible uses of the Project Construction and Management Grant for the Small School District Program (SSDP).

DESCRIPTION

On February 25, 2026, the Board approved proposed regulatory amendments, on an emergency basis, that implement Proposition 2 provisions authorizing the Board to establish the SSDP for school districts and county offices of education that have an enrollment of 2,500 or fewer pupils.

This item seeks Board approval of clarifying language changes to the School Facility Program (SFP) Grant Agreement [Proposition 2] related to the SSDP. SSDP applicants may request an additional grant for Project and Construction Management services from another local educational agency, state department, or a certified private construction consulting entity. The proposed amendments to the Grant Agreement [Proposition 2] specify eligible uses and limitations of the Project and Construction Management Grant, and other SFP grants related to the development of the required SFP Five-Year School Facilities Master Plan (Master Plan) for the Board's consideration.

AUTHORITY

Education Code (EC) Section 17070.35 – General Provisions states, in part:

- (a) In addition to all other powers and duties as are granted to the board by this chapter, other statutes, or the California Constitution, the board shall do all of the following:
 - (1) Adopt rules and regulations, pursuant to the rulemaking provisions of the Administrative Procedure Act, Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2 of the Government Code, for the administration of this chapter....

EC Section 17078.35 – Assistance to Small School Districts states, in part:

For purposes of this article, the following definitions apply:

...

- (d) "Project and construction management grant" means a grant for purposes of obtaining the services from a county office of education, other local educational agency with applicable school facilities construction expertise, applicable state department, or a certified private construction consulting entity from the list maintained pursuant to paragraph (2) of subdivision (d) of Section 17078.47, to assist with the planning, site acquisition, preconstruction, construction, and closeout of a project.
- (e) "Small school district" is a school district, as defined in Section 17070.15, with an enrollment of fewer than 2,501 pupils.

STAFF ANALYSIS/STATEMENTS

After the emergency regulations were approved by the Board in February, the Office of Public School Construction (OPSC) identified the need to clarify the eligible uses and limitations of the Project and Construction Management Grant as it relates to the development of the required Master Plan. With the passage of Proposition 2, school districts and county offices of education are required to submit a Master Plan as a condition of participating in the SFP. The development and adoption of a Master Plan would typically be considered an operational expense for school districts and county offices of education. Thus, any costs associated with development and adoption of a Master Plan are not typically eligible expenditures of SFP grants. However, Education Code Section 17078.35(d), made operative by voter approval of Proposition 2 in November 2024, explicitly provides for an additional grant in the SSDP for project and construction management to “assist with the planning ... of a project.”

During the stakeholder meeting process for SSDP regulatory development, OPSC received a question related to this topic and published the following advisory in the April 17, 2025, stakeholder meeting report:

Stakeholder Feedback

Can a school district that receives a preliminary apportionment from the Small Size School District Program use the funding that is provided from the preliminary apportionment to comply with the five-year school facilities master plan requirement?

OPSC Response

If a school district is eligible for and receives Financial Hardship assistance as part of the Program application, the school district will be eligible to receive advance site and/or design funding and the project and construction management grant at the preliminary apportionment stage. The costs necessary to develop the required five-year school facilities master plan can be an eligible expenditure specifically for projects receiving the project and construction management grant. Education Code (EC) Section 17078.35(d) specifies that the new project and construction management grant is available for small school districts to obtain services that, in part, assist with project planning. SFP expenditures eligible for development of the five-year school facilities master plan are limited to the state and local matching share of the project and construction management grant. Expenditures beyond those amounts should not be reported on the Expenditure Report, as they would be considered operational costs of the school district and ineligible SFP expenditures.

After presenting the proposed SSDP regulations to the Board in February, staff noticed that this clarification had not been included in the Grant Agreement [Proposition 2] amendments. Therefore, staff proposes to add language to the portions of the Grant Agreement [Proposition 2] for Common Eligible Project Expenditures and Common Ineligible Project Expenditures to ensure that future SSDP applicants and grantees are informed of this allowable use for the Project and Construction Management Grant. In addition, clarifications are added to ensure that other program applicants and grantees are aware of the limitations of the use of SFP grants related to the development of the Master Plan.

For the SSDP, the proposed amendments state that expenditures related to the cost of preparing a Master Plan up to the total state and district share of the Project and Construction Management grant amount are allowed if an entity described in EC Section 17078.35(d) is retained for and performs this function. However, any expenditure exceeding

STAFF ANALYSIS/STATEMENTS (cont.)

this amount would be considered operational costs of the school district and therefore ineligible SFP expenditures. Expenditures are also limited to those incurred on or after July 3, 2024, which was the date the legislation that placed Proposition 2 on ballot was enacted (Chapter 81, Statutes of 2024, Assembly Bill 247 - Muratsuchi).

In addition to a few regulatory reference corrections, including the definition of the Form SAB 50-12 on the Grant Agreement [Proposition 2], staff is presenting a sample comparison of the Board's previously approved regulatory amendments to the Grant Agreement [Proposition 2] from the February 25, 2026 Board agenda item and the proposed clarifying language below. The full text of the proposed Grant Agreement [Proposition 2] with the clarifying language is reflected on Attachment A. For reference, the February 25, 2026 Board item and the full text of the Grant Agreement [Proposition 2] that was approved by the Board as part of the February 2026 item are included as Attachment B. Please note that Attachment B does not include the additional attachments that were presented as part of the February 2026 Board item, as staff has not proposed changes to those documents.

Previously Approved Language regarding Common Eligible Project Expenditures for SSDP Grants, from February 25, 2026 (single underlined):

For the Small School District Program, services from a county office of education, other local educational agency with applicable school facilities construction expertise, applicable state department, or a certified private construction consulting entity from the list maintained pursuant to paragraph (2) of subdivision (d) of Section 17078.47, to assist with the planning, site acquisition, preconstruction, construction, and closeout of a project.

Proposed Language Changes regarding Common Eligible Project Expenditures for SSDP Grants (double underlined and highlighted):

For the Small School District Program grantee receiving the Project and Construction Management Grant, services from a county office of education, other local educational agency with applicable school facilities construction expertise, applicable state department, or a certified private construction consulting entity from the list maintained pursuant to paragraph (2) of subdivision (d) of Section 17078.47, to assist with the planning, site acquisition, preconstruction, construction, and closeout of a project.

Expenditures for the above mentioned entity must have been incurred on or after July 3, 2024.

For the grantee receiving the Project and Construction Management Grant, eligible costs for the development of a School Facility Program Five-Year School Facilities Master Plan may not exceed the total State and applicable required District share of the Project and Construction Management Grant.

Previously Approved Language regarding Common Ineligible Project Expenditures for SSDP Grants, from February 25, 2026 (single underlined):

Services from a county office of education, other local educational agency with applicable school facilities construction expertise, applicable state department, or a certified private construction consulting entity not on the list maintained pursuant to paragraph (2) of subdivision (d) of Section 17078.47, to assist with the planning, site acquisition,

STAFF ANALYSIS/STATEMENTS (cont.)

preconstruction, construction, and closeout of a project.

Proposed Language Changes regarding Common Ineligible Project Expenditures for SSDP Grants (double underlined, double strikethrough, and highlighted):

For the Small School District Program grantee receiving the Project and Construction Management Grant, services from ~~an uncertified a county office of education, other local educational agency with applicable school facilities construction expertise, applicable state department, or a certified~~ private construction consulting entity that is not on the list maintained pursuant to paragraph (2) of subdivision (d) of Section 17078.47, to assist with the planning, site acquisition, preconstruction, construction, and closeout of a project.

For the Small School District Program grantee receiving the Project and Construction Management Grant, expenditures incurred prior to July 3, 2024.

For the grantee receiving the Project and Construction Management Grant, costs for the development of a School Facility Program Five-Year School Facilities Master Plan that exceed the total State and applicable required District share of the Project and Construction Management Grant.

Proposed Language Changes regarding Common Ineligible Project Expenditures for All (non-SSDP) SFP Separate Apportionment for Design costs, All SFP Site Acquisition Costs, and All (non-SSDP) SFP Adjusted Grant Applications (double underlined, double strikethrough, and highlighted):

Operational costs (such as service contracts; or the development of the School Facility Program Five-Year School Facilities Master Plan, except as specifically provided for Small School District Program grantees receiving the Project and Construction Management Grant).

RECOMMENDATIONS

1. Adopt the proposed amendments to the Grant Agreement [Proposition 2] as shown on Attachment A.
2. Authorize the Executive Officer to combine both the proposed regulatory amendments in this Board item along with the emergency regulations previously approved by the Board into one rulemaking file and file the regulations with the Office of Administrative Law on an emergency basis and make the regulations permanent.

BOARD ACTION

This Item was approved by the State Allocation Board on April 29, 2026.

ATTACHMENT A

STATE OF CALIFORNIA
GRANT AGREEMENT
[Proposition 2]
SCHOOL FACILITY PROGRAM (New 03/25 REV xx/xx)

STATE ALLOCATION BOARD
OFFICE OF PUBLIC SCHOOL CONSTRUCTION

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Office of Public School Construction Application Number: _____

GENERAL INFORMATION

Grantee Name: _____

School Name: _____

Grant Amount: _____ of which _____ is Financial Hardship Assistance.

Authority: _____ [relevant Bond Act(s)]

SFP Program Funding Source: _____
(e.g., New Construction, Modernization, Charter Schools Facilities Program, Small School District Program, or Career Technical Education Facilities Program)

Future Priority Funding Rounds: _____ (first priority funding window, second priority funding window)

PROJECT DESCRIPTION

Type of Work: _____ (e.g., New Construction, Modernization, Career Technical Education Facilities Program New Construction, Facility Hardship rehabilitation work funded with New Construction grants, Facility Hardship replacement work funded with Modernization grants, etc.)

New School or Addition to an Existing Site: _____

Number of Classrooms: _____

Financial Hardship Approval Date: _____

Financial Hardship Status is valid until: _____ (date)

Agreement includes Grants for: _____ (Site Acquisition; Department of Toxic Substances Control fees and hazardous waste removal; etc.)

Agreement includes Grants for: _____ (Site Development, if appropriate)

Other Facilities being newly constructed, modernized, replaced, or rehabilitated: _____

ATTACHMENT A

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Office of Public School Construction Application Number: _____

Square Footage being replaced: _____ Toilet Area sq. ft.
_____ Other Area sq. ft. (all non-toilet area)
(include for Facility Hardship replacement or Seismic Mitigation Program replacement projects)
For purposes of Facility Hardship and Seismic Mitigation Program projects, shower/locker area is considered "toilet area."

Approved rehabilitation cost estimate: _____
(include for Facility Hardship rehabilitation or Seismic Mitigation Program rehabilitation projects)

This project scope and resulting funding determination relied on the following documentation and state agency approvals:

- The Funding Application (Form SAB 50-04), executed by the District Representative on XXXXX
- The Application for Charter School Preliminary Apportionment (Form SAB 50-09), executed by the District Representative on XXXXX
- The Application for Small School District Preliminary Apportionment (Form SAB 50-12), executed by the District Representative on XXXXX
- The Application for Career Technical Education Facilities Funding (Form SAB 50-10), executed by the District Representative on XXXXX
- Site Approval letter from the California Department of Education dated XXXXX
- Plan Approval letter from the California Department of Education dated XXXXX
- Division of the State Architect Approval letter(s) dated XXXXX for DSA Application Number(s) YYYY.
- Financial Hardship Approval Letter from the Office of Public School Construction dated XXXXX
- Bridge Financing Approval Letter from the Office of Public School Construction dated XXXXX
- The industry specialist report prepared by (insert name of specialist or firm), dated XXXXX that details the minimum work necessary to mitigate the (health and safety or seismic) threat in this (rehabilitation or replacement) application
- Written concurrence dated XXXX from (enter name of governmental agency) agreeing with the (health and safety or seismic) threat and the minimum work to mitigate the threat in the industry specialist report

A copy of the documentation listed here is available as part of the project file maintained by OPSC, and is also retained by the District for purposes of the project audit.

Grants are to be used in accordance with the provisions contained in the Leroy F. Greene School Facilities Act of 1998 (Education Code, Title 2, Division 1, Part 10, Chapter 12.5, commencing with Section 17070.10) and this Agreement.

The Grantee shall not make any change to the Project that would require a Change of Scope, without the State Allocation Board first approving the change to the Project.

ATTACHMENT A

Office of Public School Construction Application Number: _____

TERMS AND CONDITIONS OF GRANT

A. Definitions

Terms not defined below shall have the same meaning as set forth in SFP Regulation Section 1859.2.

"Act" means the Leroy F. Greene School Facilities Act of 1998 (Education Code, Title 1, Division 1, Part 10, Chapter 12.5, commencing with Section 17070.10).

"Agreement" means a contract to do or not to do a certain thing and refers to this Grant Agreement.

"Application" means a request pursuant to the Act to receive funding for a school project.

"Apportionment" shall have the meaning set forth in Education Code Section 17070.15(a).

"Audit report" means the annual compliance reviews and fiscal reviews of the Grantee's finances, in accordance with the Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting.

"Board" means the State Allocation Board as established by Section 15490 of the Government Code.

"Capital Outlay," for the purposes of the Grantee using Savings, pursuant to School Facility Program Regulation Section 1859.103, means capital assets in accordance with Section G of this Agreement.

"Change of Scope" means the addition or deletion of any work that would change the approved Grant amount for the Project or require updated state agency approval(s). This includes, but is not limited to, changes to site acquisition acres, or buildings, including but not limited to classrooms, multipurpose rooms, gymnasiums, administration buildings, restrooms, and libraries/media centers, and any changes to the size of those buildings, the type of building (e.g. portable, modular, or permanent), or the location on the school site of those buildings.

"Charter School Agreements" mean a memorandum of understanding, a funding agreement, and a use agreement as established by the California School Finance Authority.

"Classroom" means a teaching station that has the same meaning as the term used in Education Code Section 17071.25(a)(1).

"Expenditure Report" means the Form SAB 50-06 *Expenditure Report* and all required supplementary documentation, including but not limited to a detailed listing of project expenditures organized by fund source and provided at an object-code-level of accounting detail, pursuant to the California School Accounting Manual, that shall include fields to identify information including, but not limited to dates, payees, warrant numbers, and the description and purpose of the expenditures as described in California Code of Regulations, Title 2, Regulation Section 1859.104.

"Financial Hardship" means State funding for all or a portion of the Grantee's matching share required by School Facility Program Regulation Section 1859.77.1 or 1859.79.

"Funding Application" means the Form SAB 50-04, *Application for Funding*, or the Form SAB 50-09, *Application for Charter School Preliminary Apportionment*, or the Form SAB 50-10, *Application for Career Technical Education Facilities Funding*, and all required supplementary documentation pursuant to the Act and California Code of Regulations, Title 2, Regulation Sections 1859.70, 1859.161 or 1859.191, as applicable.

"Form SAB 50-12" means the *Application for Small School District Program Preliminary Apportionment*, Form SAB 50-12 (New [XX/26]), and all required supplementary documentation pursuant to the Act and California Code of Regulations, Title 2 which is incorporated by reference.

"Fund Release Application" means the Form SAB 50-05, *Fund Release Authorization*, and all required supplementary documentation, which includes but is not limited to this Agreement, pursuant to the Act and the Regulations.

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“Grants” means all eligible program grants provided by the Board to the Grantee in this Agreement.

“Grantee” means the school district (as defined in California Code of Regulations, Title 2, Regulation Section 1859.2), charter school, or joint powers authority, as applicable, whose representative has signed this Agreement for Grants.

“Grantee Representative” means the authorized representative of a school district (as defined in California Code of Regulations, Title 2, Regulation Section 1859.2), charter school, or joint powers authority, as applicable, who signed this Agreement for Grants.

“Hazardous Material/Waste Removal Fund” shall mean the fund established pursuant to California Code of Regulations, Title 2, Regulation Section 1859.163.3(b).

“In Escrow, Governmental Entities” means the approval and signature of instrument(s) that will convey a specified school parcel or site from the public/government entity including the federal government for a determinable sum, and for a determinable date of acquisition which may be based on the Grantee’s receipt of funding from the Board.

“In Escrow, Non-Governmental Entities” means the deposit of signed instrument(s) and/or funds with instructions with a title company or escrow agent to carry out the provisions of an agreement or contract to acquire a specified school parcel or site for a determinable sum, and for a determinable date of acquisition which may be based on the Grantee’s receipt of funding from the Board.

“Ineligible Expenditure” means an expenditure of Grants not in accordance with this Agreement or the applicable laws and regulations governing the use of Grants.

“Local auditor” means an auditor hired at the Grantee’s expense who conducts annual compliance reviews and fiscal reviews of the Grantee’s finances, in accordance with the Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting.

“Material Inaccuracy” means a finding of falsely certified eligibility or Funding Application related information submitted by Grantees, architects, or other design professionals that allowed the Grantee an advantage in the funding process. For penalties associated with Material Inaccuracy findings, see Education Code Section 17070.51.

“Modernization” means projects that are eligible for Grants based on Education Code Title 1, Division 1, Part 10, Chapter 12.5, Articles 6 (commencing with Section 17073.10) and 7 (commencing with Section 17074.10).

“Most Vulnerable Category 2 Buildings” means the building meets the criteria outlined in Section 1859.82.2 and is one of the following building types:

C1 – Concrete Moment Frame

C1B – Reinforced Concrete Cantilever Columns with Flexible Diaphragms

C2A - Concrete Shear Wall with Flexible Diaphragms

C3A – Concrete Frame with Infill Masonry Shear Walls and Flexible Diaphragms

PC1 – Precast/Tilt-up Concrete Shear Wall with Flexible Diaphragms

PC1A – Precast/Tilt-up Concrete Shear Wall with Rigid Diaphragms

PC2 – Precast Concrete Frame without Concrete Shear Walls and with Rigid Diaphragms

URM – Unreinforced Masonry Bearing Wall with Flexible Diaphragms

RM1 – Reinforced Masonry Bearing Wall with Flexible Diaphragms

URMA – Unreinforced Masonry Bearing Wall with Rigid Diaphragms

S1B – Steel Cantilever Columns with Flexible Diaphragms

S3 – Steel Light Frame Metal Siding and/or Rod Bracing, or

M – Mixed construction containing at least one of the above structure types.

ATTACHMENT A

Office of Public School Construction Application Number: _____

“New Construction” means projects that are eligible for Grants based on Education Code Title 1, Division 1, Part 10, Chapter 12.5, Articles 3 (commencing with Section 17071.75), 4 (commencing with Section 17072.10), and 5 (commencing with Section 17072.20).

“Occupancy” means the point at which pupils occupy a classroom as evident by district documents such as the school board’s adopted calendar, classroom attendance rosters, fire marshal approval of the classroom, etc.

“Office of Public School Construction (OPSC)” means the office within the California Department of General Services that assists the Board as necessary and administers the Act on behalf of the Director of General Services.

“Other Sources of Funds” means cash, the Grantee’s matching funds, or in-kind contributions that are required or used to complete the project beyond the Grants provided by this Agreement.

“Preliminary Funding Application” means the Form SAB 50-09, *Application for Charter School Preliminary Apportionment*, and all required supplementary documentation pursuant to the Act and the Regulations.

“Preliminary Small School District Program Apportionment” means a reservation of bond authority for eligible applicants under Article 11.5 of Chapter 12.5 of the Education Code. The reservation of bond authority is in advance of full compliance with all of the application requirements otherwise required for a Final Small School District Program Apportionment, pursuant to Chapter 12.5 of the Education Code.

“Project” means the purposes for which the Grantee has applied for the Grants detailed in this Agreement.

“Project and Construction Management Grant” means a grant for purposes of obtaining the services from a county office of education, other local educational agency with applicable school facilities construction expertise, applicable state department, or a certified private construction consulting entity from the list maintained pursuant to paragraph (2) of subdivision (d) of Education Code Section 17078.47, to assist with the planning, site acquisition, preconstruction, construction, and closeout of a project.

“Regulations” means the School Facility Program regulations (California Code of Regulations, Title 2, Division 2, Chapter 3, Subchapter 4, Group 1, Subgroup 5.5, commencing with Regulation Section 1859).

“Relocation/DTSC Fee Fund” shall mean the fund established pursuant to Regulation Section 1859.163.3, in order to set aside funding at the time Preliminary Charter School Apportionments are approved by the Board for relocation expenses and/or DTSC fees that will be provided at the Final Charter School Apportionment upon submission of actual costs.

“Savings” means Grants not used by the Grantee for the Project, pursuant to Regulation Section 1859.103, achieved by the Grantee’s efficient and prudent expenditure of Grants.

“School District” shall have the meaning set forth in Education Code Sections 17070.15(m) and 17073.25.

“School Facility Program (SFP)” means the programs implemented under the Act.

“State” means the state of California.

“Unfunded List (Lack of AB 55 Loans)” means an information list of unfunded projects that was created due to the state’s inability to provide interim financing from the Pooled Money Investment Account (AB 55 loans) to fund school construction project as declared in the Department of Finance Budget Letter #33 issued on December 18, 2008.

(Authority: SFP Regulation 1859.2)

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B. Term of Grant Agreement

The Grantee and the Executive Officer, or designee, of the Office of Public School Construction shall be the parties to this Agreement. This Agreement must be entered into by both parties prior to, and as a condition of, the release of any funding for the Project. This Agreement becomes effective on the date the Board approves the Project for either an Apportionment or placement on the Unfunded List (Lack of AB 55 Loans). This Agreement terminates once (1) all Grants and the Grantee's matching funds, including interest generated by the Grants, is expended, and when all of the Parties' obligations under this Grant Agreement are fully satisfied, or (2) if the Board rescinds the unfunded approval or apportionment, or (3) if the Grantee withdraws its Funding Application.

ATTACHMENT A

Office of Public School Construction Application Number: _____

C. Project Execution

1. The Board hereby awards to the Grantee a sum of money (Grants) \$_____ in consideration of and on condition that the sum be expended in carrying out the purposes as set forth in the description of the Project in this Agreement and its attachments and under the Terms and Conditions set forth in this Agreement.
Grants may also be expended for the purposes of a future high priority Capital Outlay project as the result of Savings, or for the purposes of reimbursement, pursuant to SFP Regulation Section 1859.90.4.

(Authority: New Construction: Education Code Sections 17072.20 and 17070.63; New Construction and Modernization: SFP Regulations Article 8 commencing with Section 1859.70; Charter School Facilities Program: Article 14 commencing with Section 1859.160; Career Technical Education Facilities Program: Article 16 commencing with Section 1859.190; Small School District Program: Article 12.5 commencing with Section 1859.157)

2. Prior to the release of any funding for the Project, Office of Public School Construction staff has completed the following steps to finalize the Project funding amount outlined in this Agreement, as necessary:
 - i. The Funding Application was accepted on _____ (date) and deemed to meet the definition of an Approved Application. The Grantee was provided written notification of any deficiencies and given 24 hours to remedy the identified deficiency(s) in order to retain the date upon which it was received.
 - ii. Upon confirmation of an Approved Application, Office of Public School Construction staff reviewed the Funding Application for compliance with School Facility Program Regulations and verified eligibility for all available program grants. The Grantee was provided written notification of all deficiencies and/or changes necessary and given 15 calendar days to respond and remedy the identified deficiencies and/or changes necessary.
 - iii. Upon review of the submitted corrections, Office of Public School Construction staff provided the Grantee written notification of any final deficiencies and required a response within four business days.
 - iv. Upon receipt of the final amendments to the Funding Application, the Office of Public School Construction staff and the Grantee agreed that the Project was ready for presentation to the Board for either an Apportionment or placement on the Unfunded List (Lack of AB 55 Loans).

(Authority: SFP Regulation Sections 1859.2, 1859.70, 1859.90, 1859.93, 1859.93.1; and Office of Public School Construction process)

3. Grantee certifies that the Project complies with all laws and regulations applicable to the Project.

(Authority: Form SAB 50-04 certifications)

ATTACHMENT A

Office of Public School Construction Application Number: _____

- 4. Grantee certifies that the Project complies with all labor and public contract laws, as applicable, including, but not limited to:
 - i. Public Contract Code Section 20111.6, as added by Chapter 808, Statutes of 2012 (Assembly Bill 1565), which became effective on September 30, 2012. Beginning January 1, 2014 through December 31, 2018, new contracting requirements are effective for school districts with an average daily attendance of 2,500 or more for construction projects with estimated expenditures of at least \$1,000,000 that will be funded through the SFP or any future state school bonds. These new Public Contract Code requirements require a standardized prequalification questionnaire and financial statement to be verified under oath from all bidders.
 - ii. Labor Code Section 1773.3, as amended by Senate Bill 854, Chapter 28, Statutes of 2014, which requires school districts that have School Facility Program projects with an initial public works contract awarded on or after January 1, 2012, to notify the Department of Industrial Relations (DIR). The DIR must provide prevailing wage monitoring services for all such projects, except in the cases of: (1) the district operates a DIR-approved internal wage monitoring program; or (2) the district has entered into a collective bargaining agreement that includes the requirements specified in Labor Code section 1771.4(b)(2).
 - iii. Chapter 378, Statutes of 2011 (Assembly Bill 436), which required the Department of Industrial Relations to monitor and enforce prevailing wage requirements for every State bond funded project, including School Facility Program projects, pursuant to Labor Code Section 1771.7 for projects in which the initial public works construction contract was awarded before January 1, 2012. The Project must have also been apportioned from either Proposition 47 or 55 and the construction phase of the Project commenced on or after April 1, 2003.
 - iv. Chapter 868 Statutes of 2002 (Assembly Bill 1506), which made projects funded from either Proposition 47 (2002) or Proposition 55 (2004) with a notice to proceed date on or after April 1, 2003 subject to Labor Compliance Program requirements as outlined in Labor Code Section 1771.5.

<u>Project Execution Signature</u>	
All laws and regulations noted in Sections (i), (ii), (iii), and (iv) above have been, and will be, followed, as applicable.	
X _____	Date _____

(Authority: Form SAB 50-04 certifications)

ATTACHMENT A

Office of Public School Construction Application Number: _____

D. Receiving Board Approval

1. Grantee must have (1) title, (2) leasehold, or (3) other interest to Project lands. Title may include an order for pre-judgement possession issued by a court in an eminent domain proceeding.

(Authority: Education Code Section 17070.70; SFP Regulation Sections 1859.74 and 1859.74.1)

2. Grantee understands and agrees that the Grants, combined with local funds, shall be sufficient to complete the Project.

(Authority: Education Code Section 17070.63(a))

3. The Grantee has established a "Restricted Maintenance Account" for the exclusive purpose of providing ongoing and major maintenance of school buildings and has developed an ongoing and major maintenance plan that complies with and is implemented under the provisions of Education Code Section 17070.75 and 17070.77 (refer to Regulation Sections 1859.100 through 1859.102).

(Authority: SFP Regulation Section 1859.100 and Form SAB 50-04 certifications)

4. The Grantee has or will comply with Education Code Section 17076.11 regarding at least a three (3) percent expenditure goal for disabled veteran business enterprises.

(Authority: Form SAB 50-04 certifications)

5. The Grantee understands and agrees that (1) Grants required to be adjusted for site acquisition for both New Construction and Charter School Facilities Program projects, and (2) Grants not used by the Grantee that failed to meet substantial progress and (3) unspent Financial Hardship Grants, (4) unspent Charter School Facilities Program Grants, or (5) unspent Career Technical Education Facilities Program Grants must be returned to the state school facilities fund from which the Grants were apportioned as a result of an audit, pursuant to Education Code Section 17076.10 and Education Code Section 41024, as applicable.

6. The Grantee understands and agrees that, if it does not remit the amount of Ineligible Expenditures identified in the audit report within 120 days of being invoiced by the Office of Public School Construction, and if no repayment plan has been approved pursuant to paragraph (d) of Section 41024 of the Education Code, then the Controller shall deduct the total amount of any Ineligible Expenditures from apportionments pursuant to paragraph (d) of Section 41024 of the Education Code. The Grantee may request a payment plan pursuant to paragraph (d) of Section 41024 of the Education Code.

7. If the Grants will be used for the construction or modernization of school facilities on leased land, the Grantee has entered into a lease agreement for the leased property that meets the requirements of School Facility Program Regulation Section 1859.22.

ATTACHMENT A

Office of Public School Construction Application Number: _____

8. The Grantee has established a facilities inspection system to ensure that each of its schools is maintained in good repair.

[Authority: Education Code Section 17070.75(f)]

9. The statutorily-required Grantee matching funds have either been expended by the Grantee, have been deposited by the Grantee in the county fund, or will be expended by the Grantee prior to notice of completion of the project.

(Authority: Education Code Sections 17072.30, 17074.16, 17078.72(g)(1), 17078.54(d), and 17075.10(b)(2); Form SAB 50-04 certifications)

10. The Grantee has considered the feasibility of using designs and materials for the new construction or modernization project that promote the efficient use of energy and water, maximum use of natural light and indoor air quality, the use of recycled materials and materials that emit a minimum of toxic substances, the use of acoustics conducive to teaching and learning, and the other characteristics of high performance schools.

(Authority: Education Code Section 17070.96)

11. Financial Hardship Review Process

- i. If the Grantee has requested Financial Hardship Grants, the Financial Hardship approval from the Office of Public School Construction was valid (Financial Hardship approvals are valid for 180 days) on the date the Approved Funding Application was received by the Office of Public School Construction.

[Authority: SFP Regulation Section 1859.81(e)]

- ii.

- a) If the Grantee has requested Financial Hardship Grants and has a bridge financing debt instrument in place, or will have a bridge financing debt instrument in place in the future in order to move the Project forward until Grants become available, then the Grantee agrees that it has received, or will receive, bridge-financing approval from the Office of Public School Construction.
- b) The Grantee also agrees to retire all bridge financing debt within 60 calendar days of receiving Grants. Failure to retire all bridge financing debt within 60 calendar days of receiving Grants will result in the amount of the Financial Hardship Grants in this Agreement being reduced by the amount of the bridge financing that was not retired.

- iii. If the Project remained on the Unfunded List (Lack of AB 55 Loans) for more than 180 days, the Grantee understands and agrees that the Office of Public School Construction shall conduct a review to determine if the Grantee has additional funds available to contribute to the Grantee's matching funds.

[Authority: SFP Regulation Section 1859.81(e) and (f)]

- iv. If the additional Office of Public School Construction review, pursuant to Section (iii) above, determined that the amount of the Financial Hardship Grant required an adjustment, pursuant to Financial Hardship rules detailed in SFP Regulation Section 1859.81, the amount of the Grants detailed in this Agreement will be amended.

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[Authority: SFP Regulation Section 1859.81(a)]

12. [Instructions: The following sections only apply to the program, or other circumstance, that is detailed in this Agreement.]

New Construction:

i. The Grantee has received approval of the site and the plans from the California Department of Education and the Division of the State Architect. Plan approval is not required if request is for separate design Apportionment.

(Authority: SFP Regulation Section 1859.81.1)

ii. The Grantee agrees to submit Project Information Worksheets pursuant to School Facility Program Regulation Section 1859.104.

Seismic Mitigation Program Replacement or Facility Hardship Replacement:

The Grantee agrees that the scope of this Project is the minimum work necessary to obtain approval by the Division of the State Architect and/or the federal, state, or local governmental entity with authority over of the work being performed to mitigate the

(health and safety or seismic) threat.

The Project must have an industry specialist report to substantiate the _____

(health and safety or seismic) threat and that details the minimum work necessary to mitigate the threat.

The Project must have concurrence by an appropriate governmental agency agreeing with the _____

(health and safety or seismic) threat and the minimum work necessary to mitigate the threat.

The Project must have the approval letter from DSA verifying that the building(s) in the Project qualify as one of the "Most Vulnerable Category 2 Buildings".

Site Acquisition: The Grantee has complied with Sections 1859.74 through 1859.75.1, as appropriate. The Grantee shall provide all applicable county assessor parcel numbers for the land being acquired for the Project. Grantee understands and agrees that Grants for site acquisition (i.e. site purchase, hazardous materials mitigation, relocation, etc.) as described in Section F (Accounting for Spent Funds) of this Agreement are limited to actual eligible expenditures. Therefore, the audit report may result in an adjustment (increase or decrease) to the Grant amount based on the final approved expenditures related to site acquisition separate and apart from all other Grants.

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Modernization of Portable Classrooms: If this Agreement includes the modernization of portable classrooms eligible for an additional Apportionment pursuant to Education Code Section 17073.15(a), the Grantee certifies that either:

- i. The Grants will be used to replace the portable classrooms and permanently remove the displaced portables from the classroom use within six months of the filing of the Notice of Completion for the project; or,
- ii. It has provided documentation to the Office of Public School Construction which indicates that modernizing the portable classrooms eligible for an additional Apportionment is better use of public resources than the replacement of these facilities.

Modernization of Portable Classrooms on Military Installations: If this Agreement includes the modernization of portable classrooms eligible for an Apportionment pursuant to Education Code Section 17073.15(b), the Grantee certifies that the Grants will be used to replace the portable classrooms located on a military installation that is a recipient of a federal grant for facilities modernization that requires a local matching share with a permanent structure.

(Authority: SFP Regulation Section 1859.78.8)

Modernization or Charter School Facilities Program Rehabilitation: If this Agreement includes the modernization or Charter School Facilities Program Rehabilitation funding, the Grantee has received approval of the plans for the project from the California Department of Education and the Division of the State Architect. Plan approval is not required if request is for separate design Apportionment or advance release of funds for design from a Preliminary Charter School Apportionment.

(Authority: Modernization: SFP Regulation Section 1859.81.1; Charter: SFP Regulation Section 1859.163)

Seismic Mitigation Program Rehabilitation or Facility Hardship Rehabilitation:
The Grantee agrees that the scope of this Project is the minimum work necessary to obtain approval by the Division of the State Architect and/or the federal, state, or local governmental entity with authority over of the work being performed to mitigate the

(health and safety or seismic) threat.

The Project must have an industry specialist report to substantiate the _____

(health and safety or seismic) threat and that details the minimum work necessary to mitigate the threat.

The Project must have concurrence by an appropriate governmental agency agreeing with the _____

(health and safety or seismic) threat and the minimum work necessary to mitigate the threat.

The Project must have the approval letter from DSA verifying that the building(s) in the Project qualify as one of the "Most Vulnerable Category 2 Buildings".

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The Project must have the approval letter from DSA indicating that the work in the project plans is the minimum work required to mitigate the _____

(health and safety or seismic) threat, which includes any other work triggered by the _____

(health and safety or seismic) mitigation work and that is required in order to obtain DSA approval.

Charter:

- i. Facilities to be rehabilitated under the Charter School Facilities Program previously funded with School Facility Program funds meet the requirements of Regulation Section 1859.163.
- ii. The Grantee agrees to submit Project Information Worksheets pursuant to School Facility Program Regulation Section 1859.104.

Charter-Preliminary Charter School Apportionment:

- i. The Grantee agrees that failure to submit a Final Charter School Apportionment within the timelines prescribed for a Preliminary Charter School Apportionment (four years with a possible one year extension subject to Board approval) shall be cause for rescission of the Preliminary Charter School Apportionment; and,
(Authority: SFP Regulation Section 1859.166)
- ii. The Grantee agrees that when the Preliminary Charter School Apportionment is converted to a Final Charter School Apportionment, the funding available for the Final Charter School Apportionment is subject to the provisions of Section 1859.167; and,
(Authority: SFP Regulation Section 1859.167)
- iii. The Grantee agrees that the California School Finance Authority must determine that the Grantee is financially sound at the time of the Preliminary Charter School Apportionment, advance release of design and/or site funds, and at the time of conversion to a Final Charter School Apportionment or the Preliminary Charter School Apportionment will be rescinded; and,
(Authority: SFP Regulation Section 1859.163)
- iv. The Grantee agrees that in addition to this grant agreement, the Grantee must also enter into the Charter School Agreements.
(Authority: SFP Regulation Section 1859.90.2)

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Career Technical Education Facilities Program:

The Grantee has complied with the Career Technical Education Facilities Program (CTEFP) eligibility criteria as outlined in Section 1859.192; and,

For Projects that received an Apportionment pursuant to SFP Regulation Section 1859.193(d) (CTEFP reservation of funds):

i. The Grantee understands and agrees that by reserving funds in advance of obtaining the necessary approvals from California Department of Education and the Division of the State Architect, the Grantee must submit the necessary approvals and/or plans and specifications within one year of Apportionment; otherwise the Apportionment will be rescinded without further Board action.

ii. Upon approval for placement on the Unfunded List (Lack of AB 55 Loans), the Grantee will receive a template of the Project Grant Agreement. OPSC will provide the Grantee the final Grant Agreement for the Project upon receipt of the necessary approvals from the Division of the State Architect and California Department of Education

iii. The Grantee understands and agrees that the executed the Grant Agreement must be submitted prior to fund release.

(Authority: SFP Regulation Section 1859.197)

Preliminary Small School District Program Apportionment:

i. The Grantee agrees that failure to submit a request to convert the Preliminary Small School District Program Apportionment to a Final Small School District Program Apportionment within the timelines prescribed for a Preliminary Small School District Apportionment (four years with a possible one-year extension subject to Board approval) shall result in the rescission of the Preliminary Small School District Program Apportionment; and,

(Authority: SFP Regulation Section 1859.157.45.)

ii. The Grantee agrees that when the Preliminary Small School District Program Apportionment is converted to a Final Small School District Program Apportionment, the funding available for the Final Small School District Program Apportionment is subject to the provisions of Section 1859.157.47.

(Authority: SFP Regulation Section 1859.157.47.)

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E. Receiving an Apportionment and Receiving Funds

The Grantee and the Executive Officer, or designee, of the Office of Public School Construction shall enter into this Agreement prior to, and as a condition of, the release of any funding for the Project.

(Authority: proposed SFP Regulation Sections 1859.90 and 1859.90.2)

Additionally:

1. If the project is awarded an Unfunded Approval, the Grantee understands and agrees that, pursuant to School Facility Program Regulation Sections 1859.90.2 and 1859.90.3:
 - i. The Grantee shall participate in the priority funding process by submitting a valid priority funding request during a 30-day filing period after being placed on the Unfunded List (Lack of AB 55 Loans) in order to receive an Apportionment in accordance with Regulation Section 1859.90.3.
 - ii. Failure to submit a valid request within the filing period or failure to submit a valid *Fund Release Authorization* (Form SAB 50-05) after the Board approves an Apportionment shall result in an occurrence of non-participation.
 - iii. The Grantee understands and agrees that Grants may not be available for this Project after the Grantee has submitted a valid priority funding request. When the Grantee submits a valid priority funding request and Grants are not available, the Grantee shall not be charged with an occurrence of non-participation.
 - iv. After the second occurrence of non-participation, the funding for the Project shall be rescinded without further action by the Board.

2. Once an Apportionment is awarded, any Grants provided to Grantee under this Agreement will be disbursed upon receipt of a valid Fund Release Authorization, and shall not exceed \$ _____ except for

_____.

(site-related exceptions)

(Authority: Education Code Sections 17072.13, 17072.14, and 17072.18)

3. Supplementary documentation submitted with, or prior to, a Fund Release Authorization must include this Agreement as well as documentation that proves the following:
 - i. The Grantee has entered into a binding contract(s) for at least 50 percent of the construction included in the plans and specification applicable to this Project.
 - ii. Notice to Proceed dates.
 - iii. For Career Tech projects where the Grantee received an Apportionment without needing Division of State Architect approval, evidence of Division of the State Architect approval date.

(Authority: Form SAB 50-05 certifications)

4. If the Office of Public School Construction finds that the Fund Release Authorization is incomplete, inadequate or inaccurate, it will notify the Grantee that the Grantee has ten (10) business days to address the issue(s). If the issue(s) has not been addressed after ten (10) business days, the Office of Public School Construction will consider the submittal to be

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SCHOOL FACILITY PROGRAM (~~New~~ 03/25 REV xx/xx)

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invalid and the request will be returned to the Grantee. The Grantee will retain the opportunity to submit a valid Fund Release Authorization within 90 days of Apportionment. However, if the Grantee does not submit a valid Fund Release Authorization within 90 days of the Apportionment the Grantee will receive a non-participation occurrence as described in (1.)(ii) above. The Grantee will not receive Grants at that time. Furthermore, any penalties imposed on the Grantee by a contractor, or other consequence, because of delays in payment will be paid by the Grantee and is not reimbursable under this Agreement.

(Authority: proposed amendment to School Facility Program Regulations)

5. If the project received an Apportionment and the Office of Public School Construction finds that the Fund Release Authorization is incomplete, inadequate or inaccurate, it will notify the Grantee that the Grantee has ten (10) business days to address the issue(s). If the issue(s) has not been addressed after ten (10) business days, the Office of Public School Construction will consider the submittal to be invalid and the request will be returned to the Grantee. The Grantee will retain the opportunity to submit a valid Fund Release Authorization within 180 calendar days of Apportionment for non-Financial Hardship districts or 365 calendar days for districts with Financial Hardship approval. However, if the Grantee does not submit a valid Fund Release Authorization within 180 or 365 calendar days the Apportionment will be rescinded without further Board action.

(Authority: SFP Regulation Section 1859.90)

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F. Accounting for Spent Funds

1. For purposes of completing the Expenditure Reports required pursuant to Education Code Section 17076.10, over the course of the project, the Grantee shall maintain a general ledger at a Project-specific level that includes fund, resource, project year, goal, function, and object codes for all expenditures for the Project, including furniture and equipment, as they are described in the *California School Accounting Manual, Procedure 301: Overview of the Standardized Accounting Code Structure and Procedure 345: Illustrations Using Account Code Structure*.
(Authority: Education Code Section 17076.10)

2. Annual Expenditure Reports
Pursuant to Education Code 17076.10, beginning 12 months from the first fund release, and continuing annually for a period of up to _____ years after the final fund release, as described in SFP Regulation Section 1859.104, the Grantee shall submit an Expenditure Report to the Office of Public School Construction.

3. Substantial Progress Compliance Reviews

i. Pursuant to Education Code Section 17076.10, the Grantee shall be subject to a substantial progress review by the Office of Public School Construction under this Agreement with respect to all matters connected with this Agreement. The Grantee shall provide substantial progress documentation 18 months from the latest fund release. The Office of Public School Construction will consider the requirements of substantial progress met if the Grantee submits its Expenditure Report for a completed project up to 18 months from the latest fund release. The Office of Public School Construction must notify the Grantee within 60 days of receiving the documentation if a review and analysis of the information will be conducted.
(Authority: SFP Regulation Section 1859.105)

ii. For Grantees That Have Received Grants for Construction:
The substantial progress documentation required shall include evidence that either 75 percent of the site development work is complete, or 90 percent of the building work is under contract, or 50 percent of all construction activities are complete.
(Authority: School Facility Program Regulation Section 1859.105)

The documentation that the Grantee shall provide shall include, but is not limited to:

- a) The fund source indicated, for each project cost,
- b) Assessor's parcel number, for site acquisition costs,
- c) Qualification Appraisal(s) for Architect/Engineer/Construction Manager,
- d) Architect/Engineer/Construction Management Agreement(s),
- e) Evidence the Grantee has met Disabled Veteran Business Enterprise contractual requirements,
- f) Construction Contract Agreements to date,
- g) Construction Bid Summaries,
- h) Construction Delivery Method,

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- i) Project expenditures, to date, submitted on Detailed Listing of Project Expenditures (DLOPE) worksheet or in an equivalent format [the Office of Public School Construction will review expenditure totals for purposes of determining compliance with substantial progress requirements but will not review expenditures to determine eligibility under the program (this will be done by the local auditor)],
- j) General ledger report that details project expenditures to date
- k) Submittal of written policy and procedures that documents processes for accounting of School Facility Program project activities.
- l) Construction schedule of values or Continuation Sheet
- m) Project cost estimate

(Authority: Education Code Section 17071.10 and SFP Regulation Section 1859.105)

iii. For Grantees That Have Received Advanced Financial Hardship Site Grants or Environmental Hardship Grants:

The documentation that the Grantee shall provide if requested by the Office of Public School Construction shall include, but is not limited to:

- a) The final site appraisal,
- b) The California Department of Education final approval letter, evidence of the completion of any and all California Environmental Quality Act requirements
- c) Final escrow instructions or evidence the Grantee has filed condemnation proceedings including intent to request an order of possession of the site, as applicable.

(Authority: SFP Regulation Section 1859.105 or 1859.105.1, as applicable)

iv. For Grantees That Have Received Advanced Financial Hardship Grants for Design: The documentation that the Grantee shall provide if requested by the Office of Public School Construction shall include, but is not limited to:

- a) An Approved New Construction or Modernization Adjusted Grant Application; or,
- b) A certification that the final building plans have been submitted to and accepted by the Division of the State Architect for review and approval.

(Authority: SFP Regulation Section 1859.105)

v.

- a) Should the Office of Public School Construction determine that the Grantee has not made substantial progress as described in (F)(3)(i), (ii), (iii), and (iv), it will inform the Grantee of its findings and require the Grantee to submit a final expenditure report within 60 days of notification, pursuant to SFP Regulation Section 1859.105. If no Grants have been expended by the Grantee, then the Office of Public School Construction will recommend to the Board that the project be rescinded.
- b) If Grants have been expended by the Grantee, then
 - I. The Project shall be subject to an audit pursuant to Section 41024 of the Education Code and the applicable provisions outlined in Section (F)(4) of this Agreement. The audit shall identify Grants expended in accordance

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with program requirements and the amount of any unspent Grants and the amount of any Ineligible Expenditures.

- II. Once the amount of unspent Grants has been determined in the audit report described in (i) to be repaid and the Grantee repays the Grants, the Office of Public School Construction shall take an item to the State Allocation Board make a corresponding baseline eligibility adjustment, when applicable.

(Authority: SFP Regulation Section 1859.105)

4. Final Project Audit

The Grantee understands and agrees to the following:

- i. Upon Project completion pursuant to SFP Regulation Section 1859.104, the Office of Public School Construction may notify the Grantee, the Grantee's County Office of Education, and the State Controller's Office that the Grantee is subject to an audit of the Project by a local auditor that is in accordance with the Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting. The Grantee shall retain all financial accounts, documents, and records necessary for an audit pursuant to Education Code Section 41024(a)(4) and shall provide Project documentation, if requested by the local auditor.

[Authority: proposed amendment to School Facility Program Regulation Section 1859.104(a)]

- ii. Project documentation that the Grantee shall provide when requested by the local auditor, for the purposes of the audits described in Education Code Section 41024, shall include, but is not limited to:
 - a) Proof of acreage purchased
 - b) Proof of site costs and adjusted site grants, where applicable
 - c) Copy of Form SAB 50-04
 - d) Copy of SAB Board item(s) (Approval of project Apportionment)
 - e) DSA Approval Letter
 - f) Final CDE Approval Letter
 - g) Architect Final Billing
 - h) Proof of Routine Restricted Maintenance Account Deposit or documentation demonstrating district's facilities are maintained in good repair
 - i) Project-specific accounting records, such as a general ledger, as described in Spending Funds (Section F, paragraph 1), for all sources of funding
 - j) Final construction billing and invoices,
 - k) Any and all change orders
 - l) Proof of date of Occupancy
 - m) If the Grantee's matching funds have already been expended for this Project or have been deposited in the County School Facility Fund, the Grantee shall provide accounting records, such as a general ledger, for all sources of funding, verifying those previous expenditures or deposits. If the matching funds have been or will be spent from a Certificate of Participation (COP), then the Grantee shall indicate the fund that the proceeds from the COP were originally deposited

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into or will be deposited into. The Grantee shall also include a copy of the COP booklet. Providing the official notice of intent to sell bonds may be provided to prove that the Grantee will expend the Grants prior to the time the project is completed, as described complete pursuant to SFP Regulation Section 1859.104. If the Grantee has funds from another source not listed here, the Grantee shall provide the accounting records, such as a general ledger verifying the expenditures and deposits.

(Authority: Education Code Section 17076.10 and SFP Regulation Section 1859.106)

- iii. During the local auditor's audit and/or upon completion of the audit report, the Grantee understands and agrees that its Expenditure Report is final and may not be subsequently adjusted or amended.
- iv. The Grantee understands and agrees that:
 - (a) Should the audit report determine that the Grantee spent Grants on Ineligible Expenditures, the local auditor will inform the Office of Public School Construction of the amount of the Ineligible Expenditure. The amount to be remitted will be limited to the proportionate percentage of Grants and Financial Hardship Grants. Grantees will not be required to provide the state with payments related to the amount of their matching funds. Ineligible Expenditures funded by Grants will not be considered Savings.
 - (b) The Grantee may appeal the finding of any Ineligible Expenditures, as described in Education Code Section 41024(d).
 - (c) The Office of Public School Construction will recover Grants spent on Ineligible Expenditures, pursuant to Education Code Section 41024(d)(1).
 - (d) The Grantee may request a repayment plan from the Office of Public School Construction related to the recovery of Grants described in (c).
 - (e) In order to recover funds as part of a repayment plan described in (d), the Office of Public School Construction will notify the State Controller of the repayment plan and the State Controller will withhold funds from the Grantee's principal apportionment or Education Protection Account payments, pursuant to Education Code Section 41024(d).
- v. The Grantee shall provide its Expenditure Report for a Project deemed complete pursuant to SFP Regulation Section 1859.104, and any and all audit reports, including the audits of Savings, to the Office of Public School Construction.

(Authority: Education Code Section 17076.10)
- vi. The Grantee shall also provide site access to the local auditor to determine if the project work is in accordance with the Board-approved project scope, including a final inspection for a Project deemed complete pursuant to SFP Regulation Section 1859.104.

(Authority: Education Code Section 17076.10)

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5. Savings Audit(s)

Grantees may retain Savings for expenditure for other high priority Capital Outlay
(*Authority: Education Code Section 17070.63 and SFP Regulation Section 1859.103*)

The Grantee understands and agrees to the following:

- i. Upon the Grantee declaring Savings pursuant to SFP Regulation Section 1859.103, the Office of Public School Construction may notify the Grantee, the Grantee's County Office of Education, and the State Controller's Office, that the Grantee is subject to annual audits of the Savings by a local auditor that is in accordance with the Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting until the Grantee has expended all Savings. The Grantee shall retain all financial accounts, documents, and records necessary for an audit pursuant to Education Code Section 41024(a)(4) and shall provide documentation related to the use of Savings, when requested by the local auditor.

[Authority: proposed amendment to School Facility Program Regulation Section 1859.104(a)]

- ii. Savings documentation that the Grantee shall provide when requested by the local auditor, for the purposes of the audits described in Education Code Section 41024, shall include, but is not limited to:
 - a) The Grantee's final expenditure report submitted to the Office of Public School Construction, and
 - b) Project-specific accounting records, such as a general ledger, as described in Spending Funds (Section F, paragraph 1), and
 - c) General ledger report verifying that the Savings has been deposited to county school facilities fund and detail verifying the expenditure of the funds for high priority Capital Outlay, and
 - d) Construction billing and related invoices.

(Authority: Education Code Section 17076.10 and SFP Regulation Section 1859.106)

- iii. The Grantee understands and agrees that its Savings expenditure reports submitted to the local auditor are final and may not be subsequently adjusted or amended.
- iv. The Grantee understands and agrees that:
 - (a) Should the audit report determine that the Grantee spent Savings on Ineligible Expenditures, the local auditor will inform the Office of Public School Construction of the amount of the Ineligible Expenditure. The amount to be remitted will be limited to the Savings. Grantees will not be required to provide the state with payments related to the amount of their matching funds.
 - (b) The Grantee may appeal the finding of any Ineligible Expenditures, as described in Education Code Section 41024(d).
 - (c) The Office of Public School Construction will recover Grants spent on Ineligible Expenditures, pursuant to Education Code Section 41024(d)(1).
 - (d) The Grantee may request a repayment plan from the Office of Public School Construction related to the recovery of Grants described in (c).

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(e) In order to recover funds as part of a repayment plan described in (d), the Office of Public School Construction will notify the State Controller of the repayment plan and the State Controller will withhold funds from the Grantee's principal apportionment or Education Protection Account payments, pursuant to Education Code Section 41024(d).

(Authority: Education Code Sections 17070.63(c), 17076.10, and 41024; SFP Regulation Section 1859.106)

v. The Grantee shall provide its Savings expenditure reports, and any and all audit reports, to the Office of Public School Construction, pursuant to Education Code Section 17076.10.

vi. The Grantee shall also provide site access to the local auditor to determine if the project work is in accordance with eligible uses of Savings.

(Authority: Education Code Section 17076.10)

6. Site Adjustments

Should the audit report determine that the amount of Grants received for site acquisition requires adjustment, then, upon receipt of the audit, the Office of Public School Construction will present the Project to the State Allocation Board for an adjustment to the Apportionment, in accordance with Education Code Section 41024 (c)(2).

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G. Advisory Listing Detailing Common Eligible Project Expenditures

Project expenditures not listed in this document will not be considered eligible for funding under the School Facility Program.*

Project expenditures will only be considered eligible if:

- The expenditures are within the Project scope that was approved by the State Allocation Board
- The expenditures are substantiated with contracts, invoices, final billings, and verification of payment
(Authority: Education Code Section 41024)
- The expenditures are expended or encumbered prior to the time a project is deemed complete, pursuant to SFP Regulation Section 1859.104
(Authority: Education Code Section 17076.10)

The Grantee may seek written clarification from OPSC for items not included in the lists of eligible and ineligible project expenditures. The local auditor may use the written response from OPSC to guide the audit of the project expenditures.

*Project expenditures not listed in the following tables may be considered if those expenditures are reasonable and appropriate site development work pursuant to SFP Regulation Section 1859.76.

(Authority: SFP Regulation Section 1859.76)

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- 1. New Construction - Separate Apportionment for Design Costs
 Or Adjusted Grant
 Charter Schools Facilities Program - Separate Apportionment for Design Costs
 Or Adjusted Grant
Small School District Program – Separate Apportionment for Design Costs
Or Adjusted Grant
 Common Eligible Project Expenditures**

DESIGN COSTS		
	Type of Expenditure	Authority
a.	Advertising for Construction Bids	Ed. Code Section 17072.35
b.	Architect’s Fee for Plans	
c.	CDE Plan Check or Site Review Fee	
d.	California Environmental Quality Act (CEQA) Associated Costs	SFP Reg. Section 1859.105
e.	Consultant Fees – specific to SFP project(s) (prorate if necessary)	Ed. Code Section 17072.35*
f.	Division of the State Architect (DSA) Plan Check Fee	Ed. Code Section 17072.35
g.	Energy Analysis Fee	Ed. Code Section 17072.35*
h.	Legal Fees associated with: <ul style="list-style-type: none"> • The review of the SFP project-related lease agreements. • The review of the SFP project-related contracts between districts and contractors, architects, construction managers or engineers. • The review of the SFP project-related bid documents and bid responses. 	
i.	Local Agency Plan Check Fees	Ed. Code Section 17072.35
j.	Preliminary Site Tests	
k.	Engineering Fees	

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<p>I.</p>	<p>Costs for design of a project that promote energy efficiency approaching the ultimate goal of school facility energy self-sufficiency and pollution reduction, which may include:</p> <ul style="list-style-type: none"> • Electric heating, ventilation, and air condition (HVAC), school kitchen equipment, and water heating. • The use of ground source temperatures for heating and cooling. Energy and water conservation, load reduction, peak-load shifting, and building energy efficiency measures • Solar water heating technologies. • Onsite renewable energy and storage, such as photovoltaics and battery storage, microgrid controllers, and service panel upgrades. • Shade structures and the conversion of ground and rooftop surfaces to materials with low absorption and reflection of heat, which may include, but are not limited to, natural surfaces. 	<p>Ed. Code Section 17077.35</p>
<p>m.</p>	<p><u>For the Small School District Program grantee receiving the Project and Construction Management Grant, services from a county office of education, other local educational agency with applicable school facilities construction expertise, applicable state department, or a certified private construction consulting entity from the list maintained pursuant to paragraph (2) of subdivision (d) of Section 17078.47, to assist with the planning, site acquisition, preconstruction, construction, and closeout of a project.</u></p> <p><u>Expenditures for the above mentioned entity must have been incurred on or after July 3, 2024.</u></p> <p><u>For the grantee receiving the Project and Construction Management Grant, eligible costs for the development of a School Facility Program Five-Year School Facilities Master Plan may not exceed the total State and applicable required District share of the Project and Construction Management Grant.</u></p>	<p><u>Ed. Code Sections 17078.47 17078.35 and 17072.35</u></p>

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[Proposition 2]
SCHOOL FACILITY PROGRAM (~~New 03/25~~ REV xx/xx)

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*These costs are recognized as components of allowable costs pursuant to EC Section 17072.35, and may be included as allowable expenditures under the New Construction program.

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2. New Construction - Separate Apportionment for Site Acquisition Costs
Charter Schools Facilities Program - Separate Apportionment for Site Acquisition Costs
Small School District Program – Separate Apportionment for Site Acquisition Costs
Common Eligible Project Expenditures

	Type of Expenditure	Authority
Site Acquisition		
a.	Purchase Price of Property – provided site was not previously funded under Lease-Purchase Program or School Facility Program. Eligible purchase expenditure is the lesser of the appraised value (submitted within six months of a complete Form SAB 50-04) or actual site cost.	Ed. Code Sections 17072.12, 17072.35 & SFP Reg. Section 1859.74
Site (Other) (4 % Allowance)		
b.	Appraisal Fees	Ed. Code Section 17072.35 & SFP Reg. Sections 1859.74, 1859.74(2) or 1859.74(3), as appropriate
c.	Escrow Fees	
d.	Legal Fees associated with: <ul style="list-style-type: none"> • The review of site acquisition documents • Site condemnation or relocation proceedings. • The review of the SFP project-related lease agreements. 	
e.	Litigation costs not to exceed the total SFP project funding Apportionment.	
f.	Preparation of POESA and PEA when required by the Department of Toxic Substances Control.	
g.	Survey Costs	
DTSC Fees		

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	Type of Expenditure	Authority
h.	DTSC Phase One Environmental Site Assessment (POESA) fees, Preliminary Environmental/ Endangerment Assessment (PEA) fees, and Response Action costs paid to the Department of Toxic Substances Control.	Ed. Code Sections 17072.13 & 17072.35
Hazardous Waste Removal		
i.	CEQA expenditures as long as they are not for services rendered by district personnel.	Ed. Code Sections 17072.13 & 17072.35
j.	Hazardous waste removal costs - only when associated with a Department of Toxic Substances Control issued determination of a need for a Remedial Action Plan, Removal Action Work Plan or Supplemental Site Investigation Plan to address necessary cleanup. Including: <ul style="list-style-type: none"> • Expenses for Remedial Action Plan and/or Removal Action Work Plan if acted upon. • Expenses for public participation if Remedial Action Plan and/or Removal Action Work Plan acted upon. • Expenses for Supplemental Site Investigation with a Remedial Action Plan and/or Removal Action Work Plan • Expenses for Voluntary Cleanup Agreement and/or School Cleanup Agreement 	
Relocation Assistance		
k.	Relocation Assistance – as long as expenditures conform to Title 25, CCR, Section 6000. This includes expenditures for the following: <ul style="list-style-type: none"> • Residential Tenant Occupant Moving expenses • Rental Assistance – payment not to exceed \$5,250 • Last Resort Housing 	Ed. Code Sections 17072.13, 17072.35 & CA Code of Reg., Title 25, Section 6000

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	Type of Expenditure	Authority
	<ul style="list-style-type: none"> • Residential Owner Occupant Moving expenses Replacement Housing – Not to exceed \$25,500 • Business • Moving expenses – In addition, a displaced business owner may file a claim for the following: <p style="margin-left: 20px;">The cost directly related to modifying machinery, equipment, or other personal property to adopt it to the new site. The cost of any license, permit, or certification to reestablish a business at a new location</p> <p style="margin-left: 20px;">The reasonable cost of any professional services necessary for planning the move, moving the property, or installation of property at the replacement site.</p> <p style="margin-left: 20px;">When an item is not moved but replaced with a comparable item, reimbursement shall be the lessor of replacement cost or estimated cost of moving by professional mover.</p> <ul style="list-style-type: none"> • Losses of Tangible Personal Property • Searching for a Replacement Site • Re-establishment Expenses • In Lieu Payments - Any displaced person who moves or discontinues their business may elect to receive a fixed relocation payment “in lieu” of moving, losses of tangible property, searching, and reestablishment costs. 	

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**3. New Construction - Adjusted Grant
 Charter Schools Facilities Program - Adjusted Grant
 Small School District Program – Adjusted Grant
 Common Eligible Project Expenditures**

CONSTRUCTION COSTS		
	Type of Expenditure	Authority
a.	Construction Management Fees	Ed. Code Section 17072.35
b.	Building Construction Costs – Including: <ul style="list-style-type: none"> • Foundations • Structures • Exterior & Interior Finishes • Fittings & Fixtures • Plumbing • Electrical • Mechanical • Shade Structures • Solar or Alternative Energy Source Components 	
c.	Construction Security (Campus Security and administrative overhead – not eligible)	Ed. Code Section 17072.35*
d.	Construction Tests	Ed. Code Section 17072.35
e.	Costs incurred to initiate, enforce and maintain a LCP, which may include school district “third party providers” costs, district’s own Force Account labor costs, or construction manager costs.	Labor Code Section 1771.1(a) & (b) & SFP Reg. Section 1859.79.2
f.	Force Account Labor – complies with the Public Contract Code and is specific to the project, adhering to the following criteria outlined in Section 20114: <ul style="list-style-type: none"> • For school districts with an average daily attendance less than 35,000, the total number of hours on the job does not exceed 350 hours • For school districts with an average daily attendance of 35,000 or greater, the total number of hours on the job does not 	PCC Section 20114

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CONSTRUCTION COSTS		
	Type of Expenditure	Authority
	<p>exceed 750 hours or when the cost of material does not exceed \$21,000.</p> <ul style="list-style-type: none"> • Must be work that involves a skilled trade. <p>To be eligible must be supported by time cards or time logs.</p>	
g.**	<p>General Site Development within school property lines (Including but not limited to):</p> <ul style="list-style-type: none"> • Finish Grading • Roads and Driveways • Sidewalks, stairs, & Ramps • Parking Area • Curbs and Gutters • Turfed/Paved Play Area • Playground Equipment • Surface Drains & Play Area • V-Gutters at Parking Lot • Landscaping & Irrigation System • Site Lighting • Fencing & Outdoor Walls 	<p>SFP Reg. Section 1859.76(d)</p>
h.	<p>Inspections – For services provided during construction of project.</p>	<p>Ed. Code Section 17072.35</p>
i.**	<p>Off-Site Development costs on up to two immediately adjacent sides of the site (see SFP Regulation Section 1859.76(b) for detail). Including:</p> <ul style="list-style-type: none"> • Curbs & Gutters • Sidewalks • Street Light, Planting Areas, Street Signs, Traffic Signals, Etc., Mandated by Local Ordinances • Special District Fees • Storm Drains to Point of Connection • Safety Paths 	<p>SFP Reg. Section 1859.76(b)</p>

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CONSTRUCTION COSTS		
	Type of Expenditure	Authority
j.**	Service Site Development costs within school property lines (see SFP Regulation Section 1859.76(a) for detail). Including: <ul style="list-style-type: none"> • Site Clearance • Demolition • Rerouting Utility Lines • Rough Grading • Soil Compaction • Storm Drains • Erosion Control • Outside Stairs & Retaining Walls • Relocation of Existing Portables • Fire Code Requirements • Multi-Level Parking 	SFP Reg. Section 1859.76(a)
k.**	Utility Service costs associated with the CDE approved site size that are necessary to serve the master planned capacity of the site (see SFP Regulation Section 1859.76(c) for more information) as follows: <ul style="list-style-type: none"> • Water • Sewage • Gas • Electric • Communication systems 	SFP Reg. Section 1859.76(c)
l.	Furniture and Equipment that meet all of the criteria as described in Government Code Section 16727 and the California School Accounting Manual (CSAM), Procedure 770 as follows: <ul style="list-style-type: none"> • Lasts more than two years. • It is typically repaired rather than replaced. • It is an independent unit (rather than being incorporated into another unit item). • The cost of tagging and inventory is a small percentage of the item cost. • Not operational or administrative costs. 	Ed. Code Section 17072.35 & CSAM Procedure 770

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CONSTRUCTION COSTS		
	Type of Expenditure	Authority
	It exceeds the minimum dollar value of capitalization threshold established by the local educational agency, but in no case should the threshold be less than \$5,000. The following types of furniture and equipment are examples that would be eligible if they met the criteria for CSAM Procedure 770: <ul style="list-style-type: none"> • Projectors • Smart Boards • Freezers • Refrigerators • Stoves • Exercise equipment – Only if available for use by all students 	
m.	Furniture and Equipment: <ul style="list-style-type: none"> • Desks • Chairs • Built-in Storage • Cabinets • Window Coverings • White/Chalk Boards • Library Books 	Ed. Code Section 17072.35
n.	Demolition Costs	Ed. Code Section 17072.35
o.	Interim Housing – only eligible if new construction additions are to an existing site where classrooms temporarily are inaccessible or unsafe to house students during construction.	Ed. Code Section 17072.35*
p.	Costs attributable to school-site based infrastructure to provide access to broadband internet within the schoolsite.	Ed. Code Section 17072.35*
q.	Costs of design, materials, and construction to advance state energy goals pursuant to state law, support outdoor learning environments or to directly shade and protect pupils from higher average temperatures, which may include incorporating nature and nature materials.	Ed. Code Section 17072.35*

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CONSTRUCTION COSTS		
	Type of Expenditure	Authority
r.	Seismic Mitigation Costs – the cost must be attributable to design, study, and testing.	Ed. Code Section 17072.35*
s.	Support for constructing the construction of a school kitchen, a transitional kindergarten classroom, a facility to support a local education agency-administered preschool program that is operated by a school district and located on a schoolsite operated by the district, or a facility to support school nurses and counselors to increase access to health care and mental health services.	Ed. Code Section 17072.35*
t.	Costs for plan design and inclusion of project components that promote energy efficiency approaching the ultimate goal of school facility energy self-sufficiency and pollution reduction. Components may include: <ul style="list-style-type: none"> • Electric heating, ventilation, and air condition (HVAC), school kitchen equipment, and water heating. • The use of ground source temperatures for heating and cooling. • Energy and water conservation, load reduction, peak-load shifting, and building energy efficiency measures. • Solar water heating technologies. • Onsite renewable energy and storage, such as photovoltaics and battery storage, microgrid controllers, and service panel upgrades. • Shade structures and the conversion of ground and rooftop surfaces to materials with low absorption and reflection of heat, which may include, but are not limited to, natural surfaces. 	Ed. Code Section 17077.35

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<p>u.</p>	<p><u>For the Small School District Program grantee receiving the Project and Construction Management Grant, s</u> <u>Services from a county office of education, other local educational agency with applicable school facilities construction experience, applicable state department, or a certified private construction consulting entity from the list maintained pursuant to paragraph (2) of subdivision (d) of Section 17078.47, to assist with the planning, site acquisition, preconstruction, construction, and closeout of a project.</u></p> <p><u>Expenditures for the above mentioned entity must have been incurred on or after July 3, 2024.</u></p> <p><u>For the grantee receiving the Project and Construction Management Grant, eligible costs for the development of a School Facility Program Five-Year School Facilities Master Plan may not exceed the total State and applicable required District share of the Project and Construction Management Grant.</u></p>	<p><u>Ed. Code Sections 17078.47 17078.35 and 17072.35</u></p>
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*These costs are recognized as components of allowable costs pursuant to EC Section 17072.35, and may be included as allowable expenditures under the New Construction program.

**Eligible expenditures in these sections may exceed the amounts requested on the Funding Application.

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4. Modernization - Separate Apportionment for Design Costs Or Adjusted Grant
Small School District Program – Separate Apportionment for Design Costs or Adjusted Grant
Common Eligible Project Expenditures

DESIGN COSTS		
	Type of Expenditure	Authority
a.	Advertising for Construction Bids	Ed Code Section 17074.25
b.	Architect's Fee for Plans	
c.	CDE Plan Check Fee	
d.	California Environmental Quality Act (CEQA) Associated Costs	SFP Reg. Section 1859.105
e.	Consultant Fees – specific to SFP project(s) (prorate if necessary)	Ed Code Section 17074.25*
f.	Division of the State Architect (DSA) Plan Check Fee	Ed Code Section 17074.25
g.	Energy Analysis Fee	Ed Code Section 17074.25*
h.	Legal Fees associated with: <ul style="list-style-type: none"> • The review of the SFP project-related lease agreements. • The review of the SFP project-related contracts between districts and contractors, architects, construction managers or engineers. • The review of the SFP project-related bid documents and bid responses. 	
i.	Local Agency Plan Check Fees	
j.	Preliminary Site Tests	Ed Code Section 17074.25
k.	Engineering Fees	
l.	Costs for design of a project that promote energy efficiency approaching the ultimate goal of school facility energy self-sufficiency and pollution reduction, including: Costs for design of a project that promote energy efficiency approaching the ultimate goal of school facility energy self-sufficiency and pollution reduction, which may include: <ul style="list-style-type: none"> • Electric heating, ventilation, and air condition (HVAC), school kitchen equipment, and water heating. 	Ed Code Section 17077.35

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DESIGN COSTS		
	Type of Expenditure	Authority
	<ul style="list-style-type: none"> The use of ground source temperatures for heating and cooling. Energy and water conservation, load reduction, peak-load shifting, and building energy efficiency measures. Solar water heating technologies. Onsite renewable energy and storage, such as photovoltaics and battery storage, microgrid controllers, and service panel upgrades. Shade structures and the conversion of ground and rooftop surfaces to materials with low absorption and reflection of heat, which may include, but are not limited to, natural surfaces. 	
m.	<p><u>For the Small School District Program grantee receiving the Project and Construction Management Grant, services from a county office of education, other local educational agency with applicable school facilities construction expertise, applicable state department, or a certified private construction consulting entity from the list maintained pursuant to paragraph (2) of subdivision (d) of Section 17078.47, to assist with the planning, site acquisition, preconstruction, construction, and closeout of a project.</u></p> <p><u>Expenditures for the above mentioned entity must have been incurred on or after July 3, 2024.</u></p> <p><u>For the grantee receiving the Project and Construction Management Grant, eligible costs for the development of a School Facility Program Five-Year School Facilities Master Plan may not exceed the total State and applicable required District share of the Project and Construction Management Grant.</u></p>	<p>Ed. Code Sections <u>17078.47-17078.35 and 17074.25</u></p>

*These costs are recognized as components of allowable costs pursuant to EC Section 17074.25, and may be included as allowable expenditures under the Modernization program.

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**5. Modernization - Adjusted Grant
Small School District Program – Adjusted Grant
 Common Eligible Project Expenditures**

CONSTRUCTION COSTS		
	Type of Expenditure	Authority
a.	Construction Management Fees	Ed Code Section 17074.25
b.	Building Construction Costs – Including: <ul style="list-style-type: none"> • Foundations • Structures • Exterior & Interior Finishes • Fittings & Fixtures • Plumbing • Electrical • Mechanical • Shade Structures • Solar or Alternative Energy Source Components 	
c.	Construction Security (Campus Security not eligible and administrative overhead not eligible)	Ed Code Section 17074.25*
d.	Construction Tests	Ed Code Section 17074.25
e.	Costs incurred to initiate, enforce and maintain a LCP, which may include school district “third party providers” costs, district’s own Force Account labor costs, or construction manager costs.	Labor Code Section 1771.1(a) & (b) & SFP Reg. Section 1859.79.2
f.	Force Account Labor – complies with the Public Contract Code and is specific to the project, adhering to the following criteria outlined in Section 20114: <ul style="list-style-type: none"> • For school districts with an average daily attendance less than 35,000, the total number of hours on the job does not exceed 350 hours • For school districts with an average daily attendance of 35,000 or greater, the total number of hours on the job does not exceed 750 hours or when the cost of material does not exceed \$21,000. • Must be work that involves a skilled trade. 	PCC Section 20114

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CONSTRUCTION COSTS		
	Type of Expenditure	Authority
	To be eligible must be supported by time cards or time logs.	
g.	Inspections – For services provided during construction of the project.	Ed Code Section 17074.25
h.**	Utility Services – Only if approved for fifty years or older permanent building Modernization project (see SFP Regulation Section 1859.78.7).	Ed Code Section 17074.25 & SFP Reg. Section 1859.78.7
i.	<p>Furniture and Equipment that meet all of the criteria as described in the California School Accounting Manual (CSAM), Procedure 770 as follows:</p> <ul style="list-style-type: none"> • Lasts more than one year. • It is typically repaired rather than replaced. • It is an independent unit (rather than being incorporated into another unit item). • The cost of tagging and inventory is a small percentage of the item cost. • Not operational or administrative costs. <p>It exceeds the minimum dollar value of capitalization threshold established by the local educational agency. The following types of furniture and equipment are examples that would be eligible if they met the criteria for CSAM Procedure 770:</p> <ul style="list-style-type: none"> • Projectors • Smart Boards • Freezers • Refrigerators • Stoves • Exercise equipment – Only if available for use by all students 	<p>Ed Code Section 17074.25 & CSAM Procedure 770</p>
j.	<p>Furniture and Equipment:</p> <ul style="list-style-type: none"> • Desks 	Ed Code Section 17074.25

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CONSTRUCTION COSTS		
	Type of Expenditure	Authority
	<ul style="list-style-type: none"> • Chairs • Built-in Storage • Cabinets • White/Chalk Boards • Library Books 	
k.	Demolition Costs – the cost must be attributable to replacement of “like kind” building area (see SFP Regulation Section 1859.79.2(a)).	Ed Code Section 17074.25
l.	Interim Housing	Ed Code Section 17074.25*
m.	Removal of hazardous waste from a modernization project the DTSC has declared unsafe which does not exceed ten percent of the total modernization Apportionment.	SFP Reg. Section 1859.74.2(c)
n.	Expenditures for schoolsite-based infrastructure necessary to provide access to broadband internet within the schoolsite as an eligible expenditure for modernization grants.	Ed Code Section 17074.25*
o.	Costs of design, materials, and construction to advance state energy goals pursuant to state law, support outdoor learning environments or to directly shade and protect pupils from higher average temperatures, which may include incorporating nature and nature materials.	Ed Code Section 17074.25*
p.	Seismic Mitigation Costs – the cost must be attributable to design, study, and testing.	Ed Code Section 17074.25*
q.	Remediation of lead in any water outlet used for drinking or preparing food with lead levels in excess of 15 parts per billion.	Ed Code Section 17074.25*
r.	The control, management, or abatement of lead, including but not limited to lead based paint and/or soil contamination.	Ed Code Section 17074.25*

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CONSTRUCTION COSTS		
	Type of Expenditure	Authority
s.	Support for expanding an existing, or constructing a new, gymnasium, multipurpose room, library, or school kitchen.	Ed Code Section 17074.25*
t.	Costs associated with the modernization of a school kitchen, a transitional kindergarten classroom, a facility to support a local education agency-administered preschool program, including but not limited to, a California state preschool program that is operated by a school district and located on a schoolsite operated by the district, or a facility to support school nurses and counselors to increase access to health care and mental health services.	Ed Code Section 17074.25*
u.	Districts apportioned funds pursuant to Section 17073.16(a) shall use the supplemental grant for expanding an existing, or constructing a new gymnasium, multipurpose room, library, or school kitchen.	Ed Code Section 17073.16(a)
v.	Districts apportioned funds pursuant to Section 17073.16(b) shall use the supplemental grant for retrofitting an existing facility or constructing new classrooms to house transitional kindergarten pupils.	Ed Code Section 17073.16(b)
w.	<p>Costs for plan design and inclusion of project components that promote energy efficiency approaching the ultimate goal of school facility energy self-sufficiency and pollution reduction. Components may include:</p> <ul style="list-style-type: none"> • Electric heating, ventilation, and air condition (HVAC), school kitchen equipment, and water heating. • The use of ground source temperatures for heating and cooling. • Energy and water conservation, load reduction, peak-load shifting, and building energy efficiency measures. • Solar water heating technologies. • Onsite renewable energy and storage, such as 	Ed. Code Section 17077.35

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CONSTRUCTION COSTS		
	Type of Expenditure	Authority
	photovoltaics and battery storage, microgrid controllers, and service panel upgrades. <ul style="list-style-type: none"> Shade structures and the conversion of ground and rooftop surfaces to materials with low absorption and reflection of heat, which may include, but are not limited to, natural surfaces. 	
X.	<p><u>For the Small School District Program grantee receiving the Project and Construction Management Grant.</u></p> <p><u>Services from a county office of education, other local educational agency with applicable school facilities construction expertise, applicable state department, or a certified private construction consulting entity from the list maintained pursuant to paragraph (2) of subdivision (d) of Section 17078.47, to assist with the planning, site acquisition, preconstruction, construction, and closeout of a project.</u></p> <p><u>Expenditures for the above mentioned entity must have been incurred on or after July 3, 2024.</u></p> <p><u>For the grantee receiving the Project and Construction Management Grant, eligible costs for the development of a School Facility Program Five-Year School Facilities Master Plan may not exceed the total State and applicable required District share of the Project and Construction Management Grant.</u></p>	<p><u>Ed. Code Sections 17078.47-17078.35 and 17074.25</u></p>

*These costs are recognized as components of allowable costs pursuant to EC Section 17074.25, and may be included as allowable expenditures under the Modernization program.

**Eligible expenditures in these sections may exceed the amounts requested on the Funding Application.

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**6. Career Technical Education Facilities Program - New Construction
 Common Eligible Project Expenditures**

To be considered eligible, a cost must be part of the detailed project cost estimate approved by Office of Public School Construction.

PLANNING COSTS		
	Type of Expenditure	Authority
a.	Advertising for Construction Bids	Ed Code Section 17078.72(a) & SFP Reg. Section 1859.193(a)&(b)
b.	Architect's Fee for Plans	
c.	CDE Plan Check Fee	
d.	California Environmental Quality Act (CEQA) Associated Costs	Ed Code Section 17078.72(a) & SFP Reg. Section 1859.193(a)&(b)
e.	Consultant Fees – specific to SFP project (prorate if necessary)	Ed Code Section 17078.72(a) & SFP Reg. Section 1859.193(a)&(b)
f.	Division of the State Architect (DSA) Plan Check Fee	Ed Code Section 17078.72(a) & SFP Reg. Section 1859.193(a)&(b)
g.	Energy Analysis Fee	Ed Code Section 17078.72(a) & SFP Reg. Section 1859.193(a)&(b)
h.	Legal Fees associated with: <ul style="list-style-type: none"> • The review of the SFP project-related lease agreements. • The review of the SFP project-related contracts between districts and contractors, architects, construction managers or engineers. • The review of the SFP project-related bid documents and bid responses. 	
i.	Local Agency Plan Check Fees	Ed Code Section 17078.72(a) & SFP Reg. Section 1859.193(a)&(b)
j.	Preliminary Site Tests	

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ENGINEERING COSTS		
Type of Expenditure		Authority
k.	Engineering Fees	Ed Code Section 17078.72(a) & SFP Reg. Section 1859.193(a)&(b)
l.	Construction Management Fees	Ed Code Section 17078.72 & SFP Reg. Section 1859.193(a)&(b)
m.	Building Construction Costs	
n.	Construction Security (Campus Security not eligible and administrative overhead – not eligible)	
o.	Construction Tests	
p.	Costs incurred to initiate, enforce and maintain a LCP, which may include school district “third party providers” costs, district’s own Force Account labor costs, or construction manager costs.	Labor Code Section 1771.1(a) & (b) & SFP Reg. Section 1859.193(a)(4) & (b)(5)
q.	Energy Conservation Costs	Ed Code Section 17078.72(a)
r.	Force Account Labor – complies with the Public Contract Code and is specific to the project, adhering to the following criteria outlined in Section 20114: <ul style="list-style-type: none"> • For school districts with an average daily attendance less than 35,000, the total number of hours on the job does not exceed 350 hours • For school districts with an average daily attendance of 35,000 or greater, the total number of hours on the job does not exceed 750 hours or when the cost of material does not exceed \$21,000. • Must be work that involves a skilled trade. To be eligible must be supported by time cards or time logs.	PCC Section 20114

ATTACHMENT A

STATE OF CALIFORNIA
GRANT AGREEMENT
[Proposition 2]
 SCHOOL FACILITY PROGRAM (~~New~~ 03/25 REV xx/xx)

STATE ALLOCATION BOARD
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s.**	<p>General Site Development (<i>Not allowed as part of Career Technical Educational Facilities Project included in a New Construction Grant</i>) within school property lines (Including but not limited to):</p> <ul style="list-style-type: none"> • Finish Grading • Roads and Driveways • Sidewalks, stairs, & Ramps • Parking Area • Curbs and Gutters • Turfed/Paved Play Area • Playground Equipment • Surface Drains & Play Area • V-Gutters at Parking Lot • Landscaping & Irrigation System • Site Lighting • Fencing & Outdoor Walls 	Ed Code Section 17078.72 & SFP Reg. Section 1859.193(a)&(b)
t.	Inspections	
u.**	<p>Off-Site Development costs on up to two immediately adjacent sides of the site (<i>Not allowed as part of Career Technical Educational Facilities Project included in a New Construction Grant</i>) (see SFP Regulation Section 1859.76(b) for detail). Including:</p> <ul style="list-style-type: none"> • Curbs & Gutters • Sidewalks • Street Light, Planting Areas, Street Signs, Traffic Signals, Etc., Mandated by Local Ordinances • Special District Fees • Storm Drains to Point of Connection • Safety Paths 	
v.**	<p>Service Site Development (<i>Not allowed as part of Career Technical Educational Facilities Project included in a New Construction Grant</i>) costs within school property lines (see SFP Regulation Section 1859.76(a) for detail). Including:</p> <ul style="list-style-type: none"> • Site Clearance • Demolition • Rerouting Utility Lines 	SFP Reg. Section 1859.193(a)&(b)(3)

ATTACHMENT A

STATE OF CALIFORNIA
GRANT AGREEMENT
[Proposition 2]
 SCHOOL FACILITY PROGRAM (New 03/25 REV xx/xx)

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	<ul style="list-style-type: none"> • Rough Grading • Soil Compaction • Storm Drains • Erosion Control • Outside Stairs & Retaining Walls • Relocation of Existing Portables • Fire Code Requirements • Multi-Level Parking 	
w.**	<p>Utility Service costs associated with the CDE approved site size that are necessary to serve the master planned capacity of the site – Prorated, if necessary for any excess capacity not needed by a Career Technical Education Facilities Program project <i>(Not allowed as part of Career Technical Educational Facilities Project included in a New Construction Grant)</i> (see SFP Regulation Section 1859.76(c) for more information) as follows:</p> <ul style="list-style-type: none"> • Water • Sewage • Gas • Electric • Communication systems 	<p>SFP Reg. Section 1859.193(a)&(b)(4)</p>
x.	<p>Equipment expenditures for Career Technical Education Facilities Program projects – as approved by the California Department of Education (CDE). The CDE approved equipment list must be submitted with the application for funding and later approved by the SAB. Equipment must also have an average life expectancy of at least 10 years.</p>	<p>Approved by CDE & Ed Code Section 17078.72(a)</p>

**Eligible expenditures in these sections may exceed the amounts requested on the Funding Application.

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7. Career Technical Education Facilities Program - Modernization Common Eligible Project Expenditures

To be considered eligible, a cost must be part of the detailed project cost estimate approved by the Office of Public School Construction.

	Type of Expenditure	Authority
a.	Advertising for Construction Bids	Ed Code Section 17078.72(a) & SFP Reg. Section 1859.193(c)
b.	Architect's Fee for Plans	
c.	CDE Plan Check Fee	
d.	California Environmental Quality Act (CEQA) Associated Costs	Ed Code Section 17078.72(a) & SFP Reg. Section 1859.193(c)
e.	Consultant Fees – specific to SFP project (prorate if necessary)	
f.	Division of the State Architect (DSA) Plan Check Fee	Ed Code Section 17078.72(a) & SFP Reg. Section 1859.193(c)
g.	Energy Analysis Fee	Ed Code Section 17078.72(a) & SFP Reg. Section 1859.193(c)
h.	Legal Fees associated with: <ul style="list-style-type: none"> • The review of the SFP project-related lease agreements. • The review of the SFP project-related contracts between districts and contractors, architects, construction managers or engineers. • The review of the SFP project-related bid documents and bid responses. 	
i.	Local Agency Plan Check Fees	
j.	Preliminary Site Tests	
k.	Engineering Fees	
l.	Construction Management Fees	
m.	Building Construction Costs	SFP Reg. Section 1859.193(c)
n.	Construction Security (Campus Security not eligible and administrative overhead – not eligible)	Ed Code Section 17078.72(a) &

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	Type of Expenditure	Authority
		SFP Reg. Section 1859.193(c)
o.	Construction Tests	Ed Code Section 17078.72(a) & SFP Reg. Section 1859.193(c)
p.	Costs incurred to initiate, enforce and maintain a LCP, which may include school district “third party providers” costs, district’s own Force Account labor costs, or construction manager costs.	Labor Code Section 1771.1(a) & (b) & SFP Reg. Section 1859.193(c)(5)
q.	Energy Conservation Costs	Ed Code Section 17078.72(a) & SFP Reg. Section 1859.193(c)
r.	<p>Force Account Labor – complies with the Public Contract Code and is specific to the project, adhering to the following criteria outlined in Section 20114:</p> <ul style="list-style-type: none"> • For school districts with an average daily attendance less than 35,000, the total number of hours on the job does not exceed 350 hours • For school districts with an average daily attendance of 35,000 or greater, the total number of hours on the job does not exceed 750 hours or when the cost of material does not exceed \$21,000. • Must be work that involves a skilled trade. <p>To be eligible must be supported by time cards or time logs.</p>	PCC Section 20114
s.**	<p>General Site Development within school property lines (Including but not limited to):</p> <ul style="list-style-type: none"> • Finish Grading • Roads and Driveways • Sidewalks, stairs, & Ramps • Parking Area • Curbs and Gutters 	Ed Code Section 17078.72(a) & SFP Reg. Section 1859.193(c)

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	Type of Expenditure	Authority
	<ul style="list-style-type: none"> • Turfed/Paved Play Area • Playground Equipment • Surface Drains & Play Area • V-Gutters at Parking Lot • Landscaping & Irrigation System • Site Lighting • Fencing & Outdoor Walls 	
t.	Inspections	
u.**	Off-Site Development costs on up to two immediately adjacent sides of the site (see SFP Regulation Section 1859.76(b) for detail). Including: <ul style="list-style-type: none"> • Curbs & Gutters • Sidewalks • Street Light, Planting Areas, Street Signs, Traffic Signals, Etc., Mandated by Local Ordinances • Special District Fees • Storm Drains to Point of Connection • Safety Paths 	Ed Code Section 17078.72(a) & SFP Reg. Section 1859.193(c)
v.**	Service Site Development costs within school property lines (see SFP Regulation Section 1859.76(a) for detail). Including: <ul style="list-style-type: none"> • Site Clearance • Demolition • Rerouting Utility Lines • Rough Grading • Soil Compaction • Storm Drains • Erosion Control • Outside Stairs & Retaining Walls • Relocation of Existing Portables • Fire Code Requirements • Multi-Level Parking 	
w.**	Utility Service costs associated with the CDE approved site size that are necessary to serve the master planned capacity of the site – Prorated, if necessary for any excess capacity not needed by	

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	Type of Expenditure	Authority
	Career Technical Education Facilities Program project (see SFP Regulation Section 1859.76(c) for more information) as follows: <ul style="list-style-type: none"> • Water • Sewage • Gas • Electric • Communication systems 	
x.	Equipment expenditures for Career Technical Education Facilities Program projects – Equipment must have been approved by the California Department of Education (CDE). The CDE approved equipment list must be submitted with the application for funding and later approved by the SAB. Equipment must also have an average life expectancy of at least 10 years.	Approved by CDE & Ed Code Section 17078.72(a)

**Eligible expenditures in these sections may exceed the amounts requested on the Funding Application.

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**8. Facility Hardship (Non-Seismic) - Replacement
 Separate Apportionment for Design Costs
 Or Adjusted Grant
 Common Eligible Project Expenditures**

Facility Hardship expenditures must be an eligible SFP expenditure to be considered allowable.

Only the minimum work necessary as indicated in the project’s industry specialist report, to mitigate the health and safety issue is eligible. This also includes any other work triggered by the health and safety mitigation work that is required in order to obtain DSA approval, such as required fire and life safety or access compliance work.

Elective work or upgrades outside of the required scope of work done by the District are not eligible for funding.

DESIGN COSTS		
	Type of Expenditure	Authority
a.	Advertising for Construction Bids	Ed. Code Section 17072.35 & SFP Reg. Section 1859.82
b.	Architect’s Fee for Plans	
c.	CDE Plan Check or Site Review Fee	
d.	California Environmental Quality Act (CEQA) Associated Costs	SFP Reg. Sections 1859.105 & 1859.82
e.	Consultant Fees – specific to SFP project(s) (prorate if necessary)	Ed. Code Section 17072.35* & SFP Reg. Section 1859.82
f.	Division of the State Architect (DSA) Plan Check Fee	Ed. Code Section 17072.35 & SFP Reg. Section 1859.82
g.	Energy Analysis Fee	Ed. Code Section 17072.35* & SFP Reg. Section 1859.82
h.	Legal Fees associated with: <ul style="list-style-type: none"> • The review of the SFP project-related lease agreements. • The review of the SFP project-related contracts between districts and contractors, architects, construction managers or engineers. 	

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DESIGN COSTS		
	Type of Expenditure	Authority
	<ul style="list-style-type: none"> • The review of the SFP project-related bid documents and bid responses. 	
i.	Local Agency Plan Check Fees	Ed. Code Section 17072.35 & SFP Reg. Section 1859.82
j.	Preliminary Site Tests	
k.	Engineering Fees	

*These costs are recognized as components of allowable costs pursuant to EC Section 17072.35, and may be included as allowable expenditures under the New Construction program.

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**9. Facility Hardship (Non-Seismic) – Replacement
 Separate Apportionment for Site Acquisition Costs
 Common Eligible Project Expenditures**

Facility Hardship expenditures must be an eligible SFP expenditure to be considered allowable.

Only the minimum work necessary as indicated in the project’s industry specialist report, to mitigate the health and safety issue is eligible. This also includes any other work triggered by the health and safety mitigation work that is required in order to obtain DSA approval, such as required fire and life safety or access compliance work.

Elective work or upgrades outside of the required scope of work done by the District are not eligible for funding.

	Type of Expenditure	Authority
Site Acquisition		
a.	Purchase Price of Property – provided site was not previously funded under Lease-Purchase Program or School Facility Program. Eligible purchase expenditure is the lesser of the appraised value (submitted within six months of a complete Form SAB 50-04) or actual purchase price.	Ed. Code Section 17072.12, 17072.35 & SFP Reg. Sections 1859.74 & 1859.82
Site (Other) (4 % Allowance)		
b.	Appraisal Fees	Ed. Code Section 17072.35 & SFP Sections 1859.74, 1859.74(2), or 1859.74(3), as appropriate & 1859.82
c.	Escrow Fees	
d.	CDE Site Review Costs	
e.	Legal Fees associated with: <ul style="list-style-type: none"> • The review of site acquisition documents. • Site condemnation or relocation proceedings. • The review of the SFP project-related lease agreements. 	
f.	Litigation costs not to exceed the total SFP project funding apportionment.	

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	Type of Expenditure	Authority
g.	Preparation of POESA and PEA when required by the Department of Toxic Substances Control.	
h.	Survey Costs	
DTSC Fees		
i.	DTSC Phase One Environmental Site Assessment (POESA) fees, Preliminary Environmental/ Endangerment Assessment (PEA) fees, and Response Action costs paid to the Department of Toxic Substances Control.	Ed. Code Sections 17072.13 & 17072.35 & SFP Reg. Section 1859.82
Hazardous Waste Removal		
j.	CEQA expenditures as long as they are not for services rendered by district personnel.	
k.	Hazardous waste removal costs - only when associated with a Department of Toxic Substances Control issued determination of a need for a Remedial Action Plan, Removal Action Work Plan or Supplemental Site Investigation Plan to address necessary cleanup. Including: <ul style="list-style-type: none"> • Expenses for Remedial Action Plan and/or Removal Action Work Plan if acted upon. • Expenses for public participation if Remedial Action Plan and/or Removal Action Work Plan acted upon. • Expenses for Supplemental Site Investigation with a Remedial Action Plan and/or Removal Action Work Plan • Expenses for Voluntary Cleanup Agreement and/or School Cleanup Agreement 	Ed. Code Sections 17072.13 & 17072.35 & SFP Reg. Section 1859.82

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	Type of Expenditure	Authority
Relocation Assistance		
I.	<p>Relocation Assistance – as long as expenditures conform to Title 25, CCR, Section 6000. This includes expenditures for the following:</p> <ul style="list-style-type: none"> • Residential Tenant Occupant <ul style="list-style-type: none"> Moving expenses Rental Assistance – payment not to exceed \$5,250 Last Resort Housing • Residential Owner Occupant <ul style="list-style-type: none"> Moving expenses Replacement Housing – Not to exceed \$25,500 • Business <ul style="list-style-type: none"> Moving expenses – In addition, a displaced business owner may file a claim for the following: <ul style="list-style-type: none"> The cost directly related to modifying machinery, equipment, or other personal property to adopt it to the new site. The cost of any license, permit, or certification to reestablish a business at a new location The reasonable cost of any professional services necessary for planning the move, moving the 	<p align="center">Ed. Code Section(s) 17072.13, 17072.35 & CA Code of Reg., Title 25, Section 6000 & SFP Reg. Section 1859.82</p>

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	Type of Expenditure	Authority
	<p>property, or installation of property at the replacement site</p> <p>When an item is not moved but replaced with a comparable item, reimbursement shall be the lesser of replacement cost or estimated cost of moving by professional mover.</p> <ul style="list-style-type: none"> • Losses of Tangible Personal Property • Searching for a Replacement Site • Re-establishment Expenses • In Lieu Payments - Any displaced person who moves or discontinues their business may elect to receive a fixed relocation payment "in lieu" of moving, losses of tangible property, searching, and reestablishment costs. 	

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**10. Facility Hardship (Non-Seismic) - Replacement
 Adjusted Grant
 Common Eligible Project Expenditures**

Facility Hardship expenditures must be an eligible SFP expenditure to be considered allowable.

Only the minimum work necessary as indicated in the project’s industry specialist report, to mitigate the health and safety issue is eligible. This also includes any other work triggered by the health and safety mitigation work that is required in order to obtain DSA approval, such as required fire and life safety or access compliance work.

Elective work or upgrades outside of the required scope of work done by the District are not eligible for funding.

CONSTRUCTION COSTS		
	Type of Expenditure	Authority
a.	Construction Management Fees	
b.	Building Construction Costs – Including: <ul style="list-style-type: none"> • Foundations • Structures • Exterior & Interior Finishes • Fittings & Fixtures • Plumbing • Electrical • Mechanical 	Ed. Code Section 17072.35 & SFP Reg. Section 1859.82
c.	Construction Security (Campus Security and administrative overhead – not eligible)	Ed. Code Section 17072.35* & SFP Reg. Section 1859.82
d.	Construction Tests	Ed. Code Section 17072.35 & SFP Reg. Section 1859.82
e.	Costs incurred to initiate, enforce and maintain a LCP, which may include school district “third party providers” costs, district’s own Force Account labor costs, or construction manager costs.	Labor Code Section 1771.1(a) & (b) & SFP Reg. Section 1859.79.2 & 1859.82

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CONSTRUCTION COSTS		
	Type of Expenditure	Authority
f.	<p>Force Account Labor – complies with the Public Contract Code and is specific to the project, adhering to the following criteria outlined in Section 20114:</p> <ul style="list-style-type: none"> For school districts with an average daily attendance less than 35,000, the total number of hours on the job does not exceed 350 hours For school districts with an average daily attendance of 35,000 or greater, the total number of hours on the job does not exceed 750 hours or when the cost of material does not exceed \$21,000. Must be work that involves a skilled trade. <p>To be eligible must be supported by time cards or time logs.</p>	<p>PCC Section 20114 & SFP Reg. Section 1859.82</p>
g.**	<p>General Site Development within school property lines (Including but not limited to):</p> <ul style="list-style-type: none"> Finish Grading Roads and Driveways Sidewalks, stairs, & Ramps Parking Area Curbs and Gutters Turfed/Paved Play Area Playground Equipment Surface Drains & Play Area V-Gutters at Parking Lot Landscaping & Irrigation System Site Lighting Fencing & Outdoor Walls 	<p>SFP Reg. Section 1859.76(d) & 1859.82</p>
h.	<p>Inspections – For services provided during construction of project.</p>	<p>Ed. Code Section 17072.35 & SFP Reg. Section 1859.82</p>

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CONSTRUCTION COSTS		
	Type of Expenditure	Authority
i.**	Off-Site Development costs on up to two immediately adjacent sides of the site (see SFP Regulation Section 1859.76(b) for detail). Including: <ul style="list-style-type: none"> • Curbs & Gutters • Sidewalks • Street Light, Planting Areas, Street Signs, Traffic Signals, Etc., Mandated by Local Ordinances • Special District Fees • Storm Drains to Point of Connection • Safety Paths 	SFP Reg. Section 1859.76(b) & 1859.82
j.**	Service Site Development costs within school property lines (see SFP Regulation Section 1859.76(a) for detail). Including: <ul style="list-style-type: none"> • Site Clearance • Demolition • Rerouting Utility Lines • Rough Grading • Soil Compaction • Storm Drains • Erosion Control • Outside Stairs & Retaining Walls • Relocation of Existing Portables • Fire Code Requirements • Multi-Level Parking 	SFP Reg. Section 1859.76(a) & 1859.82
k.**	Utility Service costs associated with the CDE approved site size that are necessary to serve the master planned capacity of the site (see SFP Regulation Section 1859.76(c) for more information) as follows: <ul style="list-style-type: none"> • Water • Sewage • Gas 	SFP Reg. Section 1859.76(c) & 1859.82

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CONSTRUCTION COSTS		
	Type of Expenditure	Authority
	<ul style="list-style-type: none"> • Electric • Communication systems 	
l.	<p>Furniture and Equipment that meet all of the criteria as described in the California School Accounting Manual (CSAM), Procedure 770 as follows:</p> <ul style="list-style-type: none"> • Lasts more than one year. • It is typically repaired rather than replaced. • It is an independent unit (rather than being incorporated into another unit item). • The cost of tagging and inventory is a small percentage of the item cost. • It exceeds the minimum dollar value of capitalization threshold established by the local educational agency. The following types of furniture and equipment are examples that would be eligible if they met the criteria for CSAM Procedure 770: <ul style="list-style-type: none"> • Projectors • Smart Boards • Freezers • Refrigerators • Stoves • Exercise equipment – Only if available for use by all students 	<p style="text-align: center;">Ed. Code Section 17072.35 & CSAM Procedure 770 & SFP Reg. Section 1859.82</p>
m.	<p>Furniture and Equipment:</p> <ul style="list-style-type: none"> • Desks • Chairs • Built-in Storage • Cabinets • Window Coverings • White/Chalk Boards • Library Books 	<p style="text-align: center;">Ed. Code Section 17072.35 & SFP Reg. Section 1859.82</p>
n.	<p>Demolition Costs</p>	<p style="text-align: center;">Ed. Code Section 17072.35 & SFP</p>

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CONSTRUCTION COSTS		
	Type of Expenditure	Authority
		Reg. Section 1859.82
o.	Interim Housing – only eligible if new construction additions are to an existing site where classrooms temporarily are inaccessible or unsafe to house students during construction.	Ed. Code Section 17072.35* & SFP Reg. Section 1859.82

*These costs are recognized as components of allowable costs pursuant to EC Section 17072.35, and may be included as allowable expenditures under the New Construction program.

**Eligible expenditures in these sections may exceed the amounts requested on the Funding Application.

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**11. Facility Hardship (Non-Seismic) - Rehabilitation
 Separate Apportionment for Design Costs
 Or Adjusted Grant
 Common Eligible Project Expenditures**

Facility Hardship expenditures must be an eligible SFP expenditure to be considered allowable.

Only the minimum work necessary as indicated in the project’s industry specialist report, to mitigate the health and safety issue is eligible. This also includes any other work triggered by the health and safety mitigation work that is required in order to obtain DSA approval, such as required fire and life safety or access compliance work.

Elective work or upgrades outside of the required scope of work done by the District are not eligible for funding.

DESIGN COSTS		
	Type of Expenditure	Authority
a.	Advertising for Construction Bids	Ed Code Section 17074.25 & SFP Reg. Section 1859.82
b.	Architect’s Fee for Plans	
c.	CDE Plan Check or Site Review Fee	
d.	California Environmental Quality Act (CEQA) Associated Costs	SFP Regulation Sections 1859.105 &1859.82
e.	Consultant Fees – specific to SFP project(s) (prorate if necessary)	Ed Code Section 17074.25* & SFP Reg. Section 1859.82
f.	Division of the State Architect (DSA) Plan Check Fee	Ed Code Section 17074.25 & SFP Reg. Section 1859.82
g.	Energy Analysis Fee	Ed Code Section 17074.25* & SFP Reg. Section 1859.82
h.	Legal Fees associated with: <ul style="list-style-type: none"> • The review of the SFP project-related lease agreements. • The review of the SFP project-related contracts between districts and contractors, 	

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DESIGN COSTS		
	Type of Expenditure	Authority
	architects, construction managers or engineers. <ul style="list-style-type: none"> • The review of the SFP project-related bid documents and bid responses. 	
i.	Local Agency Plan Check Fees	Ed Code Section 17074.25 & SFP Reg. Section 1859.82
j.	Preliminary Site Tests	
k.	Engineering Fees	

*These costs are recognized as components of allowable costs pursuant to EC Section 17074.25, and may be included as allowable expenditures under the Modernization program.

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**12. Facility Hardship (Non-Seismic) - Rehabilitation
 Adjusted Grant
 Common Eligible Project Expenditures**

Facility Hardship expenditures must be an eligible SFP expenditure to be considered allowable.

Only the minimum work necessary as indicated in the project’s industry specialist report, to mitigate the health and safety issue is eligible. This also includes any other work triggered by the health and safety mitigation work that is required in order to obtain DSA approval, such as required fire and life safety or access compliance work.

Elective work or upgrades outside of the required scope of work done by the District are not eligible for funding.

CONSTRUCTION COSTS		
	Type of Expenditure	Authority
a.	Construction Management Fees	
b.	Building Construction Costs – Including: <ul style="list-style-type: none"> • Foundations • Structures • Exterior & Interior Finishes • Fittings & Fixtures • Plumbing • Electrical • Mechanical 	Ed Code Section 17074.25 & SFP Reg. Section 1859.82
c.	Construction Security (Campus Security not eligible and administrative overhead not eligible)	Ed Code Section 17074.25* & SFP Reg. Section 1859.82
d.	Construction Tests	Ed Code Section 17074.25 & SFP Reg. Section 1859.82
e.	Costs incurred to initiate, enforce and maintain a LCP, which may include school district “third party providers” costs, district’s own Force Account labor costs, or construction manager costs.	Labor Code Section 1771.1(a) & (b) & SFP Reg. Section 1859.79.2 & 1859.82

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CONSTRUCTION COSTS		
	Type of Expenditure	Authority
f.	Force Account Labor – complies with the Public Contract Code and is specific to the project, adhering to the following criteria outlined in Section 20114: <ul style="list-style-type: none"> • For school districts with an average daily attendance less than 35,000, the total number of hours on the job does not exceed 350 hours • For school districts with an average daily attendance of 35,000 or greater, the total number of hours on the job does not exceed 750 hours or when the cost of material does not exceed \$21,000. • Must be work that involves a skilled trade. To be eligible must be supported by time cards or time logs.	PCC Section 20114 & SFP Reg. Section 1859.82
g.	Inspections – For services provided during construction of the project.	Ed Code Section 17074.25 & SFP Reg. Section 1859.82
h.**	Utility Services – Only if approved for 50 years or older permanent building Modernization project (see SFP Regulation Section 1859.78.7).	Ed Code Section 17074.25 & SFP Reg. Sections 1859.78.7 & 1859.82
i.	Demolition Costs	Ed Code Section 17074.25 & SFP Reg. Section 1859.82
j.	Interim Housing	Ed Code Section 17074.25* & SFP Reg. Section 1859.82

*These costs are recognized as components of allowable costs pursuant to EC Section 17074.25, and may be included as allowable expenditures under the Modernization program.

**Eligible expenditures in these sections may exceed the amounts requested on the Funding Application.

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**13. Facility Hardship (Seismic) – Replacement
 Separate Apportionment for Design Costs
 Or Adjusted Grant
 Common Eligible Project Expenditures**

Facility Hardship expenditures must be an eligible SFP expenditure to be considered allowable.

Only the minimum work necessary as indicated in the project’s industry specialist report, to mitigate the health and safety issue is eligible. This also includes any other work triggered by the health and safety mitigation work that is required in order to obtain DSA approval, such as required fire and life safety or access compliance work.

Elective work or upgrades outside of the required scope of work done by the District are not eligible for funding.

Construction contract must be executed on or after May 20, 2006.

DESIGN COSTS		
	Type of Expenditure	Authority
a.	Advertising for Construction Bids	Ed. Code Section 17072.35 & SFP Reg. Section 1859.82
b.	Architect’s Fee for Plans	
c.	CDE Plan Check or Site Review Fee	
d.	California Environmental Quality Act (CEQA) Associated Costs	SFP Reg. Section 1859.105 & 1859.82
e.	Consultant Fees – specific to SFP project(s) (prorate if necessary)	Ed. Code Section 17072.35* & SFP Reg. Section 1859.82
f.	Division of the State Architect (DSA) Plan Check Fee	Ed. Code Section 17072.35 & SFP Reg. Section 1859.82
g.	Energy Analysis Fee	Ed. Code Section 17072.35* & SFP Reg. Section 1859.82
h.	Legal Fees associated with: <ul style="list-style-type: none"> • The review of the SFP project-related lease agreements. • The review of the SFP project-related contracts between districts and contractors, 	

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DESIGN COSTS		
	Type of Expenditure	Authority
	architects, construction managers or engineers. <ul style="list-style-type: none"> • The review of the SFP project-related bid documents and bid responses. 	
i.	Local Agency Plan Check Fees	Ed. Code Section 17072.35 & SFP Reg. Section 1859.82
j.	Preliminary Site Tests	
k.	Engineering Fees	

*These costs are recognized as components of allowable costs pursuant to EC Section 17072.35, and may be included as allowable expenditures under the New Construction program.

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**14. Facility Hardship (Seismic) – Replacement
 Separate Apportionment for Site Acquisition Costs
 Common Eligible Project Expenditures**

Facility Hardship expenditures must be an eligible SFP expenditure to be considered allowable.

Only the minimum work necessary as indicated in the project’s industry specialist report, to mitigate the health and safety issue is eligible. This also includes any other work triggered by the health and safety mitigation work that is required in order to obtain DSA approval, such as required fire and life safety or access compliance work.

Elective work or upgrades outside of the required scope of work done by the District are not eligible for funding.

Construction contract must be executed on or after May 20, 2006

	Type of Expenditure	Authority
Site Acquisition		
a.	Purchase Price of Property – provided site was not previously funded under Lease-Purchase Program or School Facility Program. Eligible purchase expenditure is the lesser of the appraised value (submitted within six months of a complete Form SAB 50-04) or actual purchase price.	Ed. Code Section 17072.12, 17072.35 & SFP Reg. Sections 1859.74 & 1859.82
Site (Other) (4 % Allowance)		
b.	Appraisal Fees	Ed. Code Section 17072.35 & SFP Sections 1859.74, 1859.74(2), or 1859.74(3), as appropriate & 1859.82
c.	Escrow Fees	
d.	Legal Fees associated with: <ul style="list-style-type: none"> • The review of site acquisition documents. • Site condemnation or relocation proceedings. • The review of the SFP project-related lease agreements. 	
e.	Litigation costs not to exceed the total SFP project funding apportionment.	

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	Type of Expenditure	Authority
f.	Preparation of POESA and PEA when required by the Department of Toxic Substances Control.	
g.	Survey Costs	
DTSC Fees		
h.	DTSC Phase One Environmental Site Assessment (POESA) fees, Preliminary Environmental/ Endangerment Assessment (PEA) fees, and Response Action costs paid to the Department of Toxic Substances Control.	Ed. Code Sections 17072.13 & 17072.35 & SFP Reg. Section 1859.82
Hazardous Waste Removal		
i.	CEQA expenditures as long as they are not for services rendered by district personnel.	Ed. Code Sections 17072.13 & 17072.35 & SFP Reg. Section 1859.82
j.	Hazardous waste removal costs - only when associated with a Department of Toxic Substances Control issued determination of a need for a Remedial Action Plan, Removal Action Work Plan or Supplemental Site Investigation Plan to address necessary cleanup. Including: <ul style="list-style-type: none"> • Expenses for Remedial Action Plan and/or Removal Action Work Plan if acted upon. • Expenses for public participation if Remedial Action Plan and/or Removal Action Work Plan acted upon. • Expenses for Supplemental Site Investigation with a Remedial Action Plan and/or Removal Action Work Plan • Expenses for Voluntary Cleanup Agreement and/or School Cleanup Agreement 	

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	Type of Expenditure	Authority
Relocation Assistance		
k.	<p>Relocation Assistance – as long as expenditures conform to Title 25, CCR, Section 6000 . This includes expenditures for the following:</p> <ul style="list-style-type: none"> • Residential Tenant Occupant Moving expenses Rental Assistance – payment not to exceed \$5,250 Last Resort Housing • Residential Owner Occupant Moving expenses Replacement Housing – Not to exceed \$25,500 • Business Moving expenses – In addition, a displaced business owner may file a claim for the following: <p>The cost directly related to modifying machinery, equipment, or other personal property to adopt it to the new site.</p> <p>The cost of any license, permit, or certification to reestablish a business at a new location</p> <p>The reasonable cost of any professional services necessary for planning the move, moving the property, or installation of property at the replacement site</p> <p>When an item is not moved but replaced with a comparable item, reimbursement shall be the lessor of replacement cost or estimated cost of moving by professional mover.</p>	<p align="center">Ed. Code Section(s) 17072.13, 17072.35 & CA Code of Reg., Title 25, Section 6000 & SFP Reg. Section 1859.82</p>

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	Type of Expenditure	Authority
	<ul style="list-style-type: none">• Losses of Tangible Personal Property• Searching for a Replacement Site• Re-establishment Expenses• In Lieu Payments - Any displaced person who moves or discontinues their business may elect to receive a fixed relocation payment "in lieu" of moving, losses of tangible property, searching, and reestablishment costs.	

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**15. Facility Hardship (Seismic) – Replacement
 Adjusted Grant
 Common Eligible Project Expenditures**

Facility Hardship expenditures must be an eligible SFP expenditure to be considered allowable.

Only the minimum work necessary as indicated in the project’s industry specialist report, to mitigate the health and safety issue is eligible. This also includes any other work triggered by the health and safety mitigation work that is required in order to obtain DSA approval, such as required fire and life safety or access compliance work.

Elective work or upgrades outside of the required scope of work done by the District are not eligible for funding.

Construction contract must be executed on or after May 20, 2006.

CONSTRUCTION COSTS		
	Type of Expenditure	Authority
a.	Construction Management Fees	
b.	Building Construction Costs – Including: <ul style="list-style-type: none"> • Foundations • Structures • Exterior & Interior Finishes • Fittings & Fixtures • Plumbing • Electrical • Mechanical 	Ed. Code Section 17072.35 & SFP Reg. Section 1859.82
c.	Construction Security (Campus Security and administrative overhead – not eligible)	Ed. Code Section 17072.35* & SFP Reg. Section 1859.82
d.	Construction Tests	Ed. Code Section 17072.35 & SFP Reg. Section 1859.82
e.	Costs incurred to initiate, enforce and maintain a LCP, which may include school district “third party providers” costs, district’s own Force Account labor costs, or construction manager costs.	Labor Code Section 1771.1(a) & (b); SFP Reg. Sections

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CONSTRUCTION COSTS		
	Type of Expenditure	Authority
		1859.79.2 & 1859.82
f.	<p>Force Account Labor – complies with the Public Contract Code and is specific to the project, adhering to the following criteria outlined in Section 20114:</p> <ul style="list-style-type: none"> • For school districts with an average daily attendance less than 35,000, the total number of hours on the job does not exceed 350 hours • For school districts with an average daily attendance of 35,000 or greater, the total number of hours on the job does not exceed 750 hours or when the cost of material does not exceed \$21,000. • Must be work that involves a skilled trade. <p>To be eligible must be supported by time cards or time logs.</p>	PCC Section 20114 & SFP Reg. Section 1859.82
g.**	<p>General Site Development within school property lines (including, but not limited to):</p> <ul style="list-style-type: none"> • Finish Grading • Roads and Driveways • Sidewalks, stairs, & Ramps • Parking Area • Curbs and Gutters • Turfed/Paved Play Area • Playground Equipment • Surface Drains & Play Area • V-Gutters at Parking Lot • Landscaping & Irrigation System • Site Lighting • Fencing & Outdoor Walls 	SFP Reg. Sections 1859.76(d) & 1859.82
h.	<p>Inspections – For services provided during construction of project.</p>	Ed. Code Section 17072.35 & SFP

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CONSTRUCTION COSTS		
	Type of Expenditure	Authority
		Reg. Section 1859.82
i.	Off-Site Development costs on up to two immediately adjacent sides of the site (see SFP Regulation Section 1859.76(b) for detail). Including: <ul style="list-style-type: none"> • Curbs & Gutters • Sidewalks • Street Light, Planting Areas, Street Signs, • Traffic Signals, Etc., Mandated by Local Ordinances • Special District Fees • Storm Drains to Point of Connection • Safety Paths 	SFP Reg. Sections 1859.76(b) & 1859.82
j.**	Service Site Development costs within school property lines (see SFP Regulation Section 1859.76(a) for detail). Including: <ul style="list-style-type: none"> • Site Clearance • Demolition • Rerouting Utility Lines • Rough Grading • Soil Compaction • Storm Drains • Erosion Control • Outside Stairs & Retaining Walls • Relocation of Existing Portables • Fire Code Requirements • Multi-Level Parking 	SFP Reg. Sections 1859.76(a) & 1859.82
k.**	Utility Service costs associated with the CDE approved site size that are necessary to serve the master planned capacity of the site (see SFP Regulation Section 1859.76(c) for more information) as follows: <ul style="list-style-type: none"> • Water • Sewage 	SFP Reg. Sections 1859.76(c) & 1859.82

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CONSTRUCTION COSTS		
	Type of Expenditure	Authority
	<ul style="list-style-type: none"> • Gas • Electric • Communication systems 	
l.	<p>Furniture and Equipment that meet all of the criteria as described in the California School Accounting Manual (CSAM), Procedure 770 as follows:</p> <ul style="list-style-type: none"> • Lasts more than one year. • It is typically repaired rather than replaced. • It is an independent unit (rather than being incorporated into another unit item). • The cost of tagging and inventory is a small percentage of the item cost. • It exceeds the minimum dollar value of capitalization threshold established by the local educational agency. The following types of furniture and equipment are examples that would be eligible if they met the criteria for CSAM Procedure 770: <ul style="list-style-type: none"> • Projectors • Smart Boards • Freezers • Refrigerators • Stoves • Exercise equipment – Only if available for use by all students 	Ed. Code Section 17072.35 & CSAM Procedure 770 & SFP Reg. Section 1859.82
m.	<p>Furniture and Equipment:</p> <ul style="list-style-type: none"> • Desks • Chairs • Built-in Storage • Cabinets • Window Coverings • White/Chalk Boards • Library Books 	Ed. Code Section 17072.35 & SFP Reg. Section 1859.82
n.	Demolition Costs	Ed. Code Section 17072.35 & SFP

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CONSTRUCTION COSTS		
	Type of Expenditure	Authority
		Reg. Section 1859.82
o.	Interim Housing – only eligible if new construction additions are to an existing site where classrooms temporarily are inaccessible or unsafe to house students during construction.	Ed. Code Section 17072.35* & SFP Reg. Section 1859.82

*These costs are recognized as components of allowable costs pursuant to EC Section 17072.35, and may be included as allowable expenditures under the New Construction program.

**Eligible expenditures in these sections may exceed the amounts requested on the Funding Application.

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**16. Facility Hardship (Seismic) – Rehabilitation
 Separate Apportionment for Design Costs
 Or Adjusted Grant
 Common Eligible Project Expenditures**

Facility Hardship expenditures must be an eligible SFP expenditure to be considered allowable.

Only the minimum work necessary as indicated in the project’s industry specialist report, to mitigate the health and safety issue is eligible. This also includes any other work triggered by the health and safety mitigation work that is required in order to obtain DSA approval, such as required fire and life safety or access compliance work.

Elective work or upgrades outside of the required scope of work done by the District are not eligible for funding.

Construction contract must be executed on or after May 20, 2006.

DESIGN COSTS		
	Type of Expenditure	Authority
a.	Advertising for Construction Bids	Ed Code Section 17074.25 & SFP Reg. Section 1859.82
b.	Architect’s Fee for Plans	
c.	CDE Plan Check or Site Review Fee	
d.	California Environmental Quality Act (CEQA) Associated Costs	SFP Reg. Sections 1859.105 & 1859.82
e.	Consultant Fees – specific to SFP project(s) (prorate if necessary)	Ed Code Section 17074.25* & SFP Reg. Section 1859.82
f.	Division of the State Architect (DSA) Plan Check Fee	Ed Code Section 17074.25 & SFP Reg. Section 1859.82

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DESIGN COSTS		
	Type of Expenditure	Authority
g.	Energy Analysis Fee	Ed Code Section 17074.25* & SFP Reg. Section 1859.82
h.	Legal Fees associated with: <ul style="list-style-type: none"> • The review of the SFP project-related lease agreements. • The review of the SFP project-related contracts between districts and contractors, architects, construction managers or engineers. • The review of the SFP project-related bid documents and bid responses. 	
i.	Local Agency Plan Check Fees	Ed Code Section 17074.25 & SFP Reg. Section 1859.82
j.	Preliminary Site Tests	
k.	Engineering Fees	

*These costs are recognized as components of allowable costs pursuant to EC Section 17074.25, and may be included as allowable expenditures under the Modernization program.

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**17. Facility Hardship (Seismic) – Rehabilitation
 Adjusted Grant
 Common Eligible Project Expenditures**

Facility Hardship expenditures must be an eligible SFP expenditure to be considered allowable.

Only the minimum work necessary as indicated in the project’s industry specialist report, to mitigate the health and safety issue is eligible. This also includes any other work triggered by the health and safety mitigation work that is required in order to obtain DSA approval, such as required fire and life safety or access compliance work.

Elective work or upgrades outside of the required scope of work done by the District are not eligible for funding.

Construction contract must be executed on or after May 20, 2006.

CONSTRUCTION COSTS		
	Type of Expenditure	Authority
a.	Construction Management Fees	
b.	Building Construction Costs – Including: <ul style="list-style-type: none"> • Foundations • Structures • Exterior & Interior Finishes • Fittings & Fixtures • Plumbing • Electrical • Mechanical 	Ed Code Section 17074.25 & SFP Reg. Section 1859.82
c.	Construction Security (Campus Security not eligible and administrative overhead not eligible)	Ed Code Section 17074.25* & SFP Reg. Section 1859.82
d.	Construction Tests	Ed Code Section 17074.25 & SFP Reg. Section 1859.82
e.	Costs incurred to initiate, enforce and maintain a LCP, which may include school district “third party providers” costs, district’s own Force Account labor costs, or construction manager costs.	Labor Code Section 1771.1(a) & (b) & SFP Reg. Section 1859.79.2 & 1859.82

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CONSTRUCTION COSTS		
	Type of Expenditure	Authority
f.	Force Account Labor – complies with the Public Contract Code and is specific to the project, adhering to the following criteria outlined in Section 20114: <ul style="list-style-type: none"> • For school districts with an average daily attendance less than 35,000, the total number of hours on the job does not exceed 350 hours • For school districts with an average daily attendance of 35,000 or greater, the total number of hours on the job does not exceed 750 hours or when the cost of material does not exceed \$21,000. • Must be work that involves a skilled trade. To be eligible must be supported by time cards or time logs.	PCC Section 20114 & SFP Reg. Section 1859.82
g.	Inspections – For services provided during construction of the project.	Ed Code Section 17074.25 & SFP Reg. Section 1859.82
h.**	Utility Services – Only if approved for 50 years or older permanent building Modernization project (see SFP Regulation Section 1859.78.7).	Ed Code Section 17074.25 & SFP Reg. Sections 1859.78.7 & 1859.82
i.	Demolition Costs	Ed Code Sections 17074.25 & 1859.82
j.	Interim Housing	Ed Code Sections 17074.25* & 1859.82

*These costs are recognized as components of allowable costs pursuant to EC Section 17074.25, and may be included as allowable expenditures under the Modernization program.

**Eligible expenditures in these sections may exceed the amounts requested on the Funding Application.

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H. Advisory Listing Detailing Common Ineligible Project Expenditures

The following tables are intended to provide advisory listings of common, but not exhaustive, ineligible Project expenditures.

In addition to the ineligible Project expenditures listed on the following tables, any costs associated with the Grantee's local debt issuance or interest on the Grantee's local bond(s) are also ineligible Project expenditures.

The Grantee may seek written clarification from OPSC for items not included in the lists of eligible and ineligible project expenditures. The local auditor may use the written response from OPSC to guide the audit of the project expenditures.

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- 1. New Construction – Separate Apportionment for Design Costs Or Adjusted Grant**
Charter Schools Facilities Program – Separate Apportionment for Design Costs Or Adjusted Grant
Small School District Program – Separate Apportionment for Design Costs Or Adjusted Grant
Common Ineligible Project Expenditures

DESIGN COSTS		
	Type of Ineligible Expenditure	Authority
a.	Legal Fees not attributable to the project	Ed Code Section 17072.35
b.	For projects that received Design funds only any site and/or construction related expenditures are not eligible	
c.	<p><u>For the Small School District Program grantee receiving the Project and Construction Management Grant, services from an uncertified a county office of education, other local educational agency with applicable school facilities construction expertise, applicable state department, or a certified private construction consulting entity that is not on the list maintained pursuant to paragraph (2) of subdivision (d) of Section 17078.47, to assist with the planning, site acquisition, preconstruction, construction, and closeout of a project.</u></p> <p><u>For the Small School District Program grantee receiving the Project and Construction Management Grant, expenditures incurred prior to July 3, 2024.</u></p> <p><u>For the grantee receiving the Project and Construction Management Grant, costs for the development of a School Facility Program Five-Year School Facilities Master Plan that exceed the total State and applicable required District share of the Project and Construction Management Grant.</u></p>	Ed Code Sections <u>17078.47</u> , <u>17078.35</u> and <u>17072.35</u>
d.	<u>Operational costs (such as service contracts, or the development of the School Facility Program Five-Year School Facilities Master Plan, except as specifically provided for Small School District Program grantees receiving the Project and Construction Management Grant).</u>	<u>Ed Code Section 17072.35</u>

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- 2. New Construction – Separate Apportionment for Site Acquisition Costs**
Charter Schools Facilities Program – Separate Apportionment for Site Acquisition Costs
Small School District Program – Separate Apportionment for Site Acquisition Costs
Common Ineligible Project Expenditures

CONSTRUCTION COSTS		
	Type of Expenditure	Authority
a.	Relocation costs not considered reasonable such as: goodwill not court ordered; the difference between the salvage value and new value of furniture and equipment costs, if the business vendor retains the furniture and equipment.	Ed Code Section 17072.35
b.	For projects that received site funds only (did not receive construction funds) any construction related expenditures are not eligible.	
<u>c.</u>	<u>Operational costs (such as service contracts, or the development of the School Facility Program Five-Year School Facilities Master Plan).</u>	

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**3. New Construction – Adjusted Grant
 Charter Schools Facilities Program – Adjusted Grant
Small School District Program – Adjusted Grant
 Common Ineligible Project Expenditures**

CONSTRUCTION COSTS		
	Type of Ineligible Expenditure	Authority
a.	Administrative and overhead costs including indirect costs for general management.	Ed Code Section 17072.35
b.	Campus supervision going beyond construction site security (such as campus security and administrative overhead).	
c.	Repair of damages incurred during construction are not eligible	
d.	Expenditures associated with Facility Hardship SAB approvals which were not constructed as originally approved (see Regulation Section 1859.82).	
e.	Operational costs (such as service contracts; and maintenance expenses or commissioning; or the development of the School Facility Program Five-Year School Facilities Master Plan, except as specifically provided for Small School District Program grantees receiving the Project and Construction Management Grant).	
f.	Supplies as described in the California School Accounting Manual (CSAM), Procedure 770.	

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g.	Items not considered Furniture and Equipment because they are considered operational or supplies in nature, including: <ul style="list-style-type: none">• Computers• Printers• Computer Carts• Teacher and student text books.• Athletic Team supplies/training equipment/uniforms.• Classroom supplies/consumables Bunsen Burners, test tubes, chemicals, mechanic wrenches, etc.• Golf Carts• Trailers• Trucks/Tractors and cars• Landscape equipment	Ed Code Section 17072.35 & CSAM Procedure 770
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CONSTRUCTION COSTS		
	Type of Ineligible Expenditure	Authority
	Mowers, etc. <ul style="list-style-type: none"> • School maintenance equipment • Floor polisher/scrubber, etc. • Cleaning & janitorial supplies • Band equipment/Uniforms • Mascot Uniforms 	
h.	<p><u>For the Small School District Program grantee receiving the Project and Construction Management Grant, services from an uncertified a county office of education, other local educational agency with applicable school facilities construction expertise, applicable state department, or a certified private construction consulting entity that is not on the list maintained pursuant to paragraph (2) of subdivision (d) of Section 17078.47, to assist with the planning, site acquisition, preconstruction, construction, and closeout of a project.</u></p> <p><u>For the Small School District Program grantee receiving the Project and Construction Management Grant, expenditures incurred prior to July 3, 2024.</u></p> <p><u>For the grantee receiving the Project and Construction Management Grant, costs for the development of a School Facility Program Five-Year School Facilities Master Plan that exceed the total State and applicable required District share of the Project and Construction Management Grant.</u></p>	<p><u>Ed Code Sections</u> <u>17078.47</u> <u>17078.35 and</u> <u>17072.35</u></p>

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**4. Modernization – Separate Apportionment for Design Costs Or Adjusted Grant
 Small School District Program – Separate Apportionment
of for Design Costs Or Adjusted Grant
 Common Ineligible Project Expenditures**

DESIGN COSTS		
	Type of Expenditure	Authority
a.	Legal Fees not attributable to the project	Ed Code Section 17074.25
b.	For projects that received Design funds only any construction related expenditures are not eligible	
c.	<p><u>For the Small School District Program grantee receiving the Project and Construction Management Grant, Services from an uncertified a county office of education, other local educational agency with applicable school facilities construction expertise, applicable state department, or a certified private construction consulting entity that is not on the list maintained pursuant to paragraph (2) of subdivision (d) of Section 17078.47, to assist with the planning, site acquisition, preconstruction, construction, and closeout of a project.</u></p> <p><u>For the Small School District Program grantee receiving the Project and Construction Management Grant, expenditures incurred prior to July 3, 2024.</u></p> <p><u>For the grantee receiving the Project and Construction Management Grant, costs for the development of a School Facility Program Five-Year School Facilities Master Plan that exceed the total State and applicable required District share of the Project and Construction Management Grant.</u></p>	Ed Code Sections <u>17078.47</u> <u>17078.35 and</u> <u>17074.25</u>
d.	<u>Operational costs (such as service contracts; or the development of the School Facility Program Five-Year School Facilities Master Plan, except as specifically provided for Small School District Program grantees receiving the Project and Construction Management Grant).</u>	<u>Ed Code Section</u> <u>17074.25</u>

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5. Modernization – Adjusted Grant
Small School District Program – Adjusted Grant
Common Ineligible Project Expenditures

	Type of Expenditure	Authority
a.	Administrative and overhead costs including indirect costs for general management.	Ed Code Section 17074.25
b.	Campus supervision going beyond construction site security (such as campus security and administrative overhead).	
c.	Repair of damages incurred during construction are not eligible	
d.	Expenditures associated with Facility Hardship SAB approvals which were not constructed as originally approved (see Regulation Section 1859.82).	
e.	Operational costs (such as service contracts; <u>and maintenance expenses or commissioning; or development of the School Facility Program Five-Year School Facilities Master Plan, except as specifically provided for Small School District Program grantees receiving the Project and Construction Management Grant</u>).	
f.	Supplies as described in the California School Accounting Manual (CSAM), Procedure 770.	Ed Code Section 17074.25
g.	Items not considered Furniture and Equipment because they are considered operational or supplies in nature, including: <ul style="list-style-type: none"> • Computers • Printers • Computer Carts • Teacher and student textbooks. • Athletic Team supplies/training equipment/uniforms. • Classroom supplies/consumables Bunsen Burners, test tubes, chemicals, mechanic wrenches, etc. • Golf Carts • Trailers • Trucks/Tractors and cars • Landscape equipment Mowers, etc. • School maintenance equipment 	

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	<p>Floor polisher/scrubber, etc.</p> <ul style="list-style-type: none"> • Cleaning & janitorial supplies • Band equipment/Uniforms • Mascot Uniforms. 	
<p>h.</p>	<p><u>For the Small School District Program grantee receiving the Project and Construction Management Grant, services from an uncertified a county office of education, other local educational agency with applicable school facilities construction expertise, applicable state department, or a certified private construction consulting entity that is not on the list maintained pursuant to paragraph (2) of subdivision (d) of Section 17078.47, to assist with the planning, site acquisition, preconstruction, construction, and closeout of a project.</u></p> <p><u>For the Small School District Program grantee receiving the Project and Construction Management Grant, expenditures incurred prior to July 3, 2024.</u></p> <p><u>For the grantee receiving the Project and Construction Management Grant, costs for the development of a School Facility Program Five-Year School Facilities Master Plan that exceed the total State and applicable required District share of the Project and Construction Management Grant.</u></p>	<p><u>Ed Code Sections</u> <u>17078.47</u> <u>17078.35 and</u> <u>17074.25</u></p>

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6. Career Technical Education Facilities Program – New Construction Common Ineligible Project Expenditures

	Type of Expenditure	Authority
a.	Acquisition and development of real estate.	Ed Code Section 17078.72 & SFP Reg. Sections 1859.193(a)&(b) & 1859.199
b.	Administrative and overhead costs including indirect costs for general management.	
c.	Campus supervision going beyond construction site security (such as campus security and administrative overhead).	
d.	Repair of damages incurred during construction are not eligible	
e.	Expenditures associated with Facility Hardship SAB approvals which were not constructed as originally approved (see Regulation Section 1859.82).	
f.	Operational costs (such as service contracts, <u>the development of the School Facility Program Five-Year School Facilities Master Plan</u> , and maintenance expenses or commissioning).	
g.	Supplies as described in the California School Accounting Manual (CSAM), Procedure 770.	
h.	Items not considered Furniture and Equipment because they are considered operational or supplies in nature, including: <ul style="list-style-type: none"> • Computers • Printers • Computer Carts • Teacher and student text books. • Athletic Team supplies/training equipment/uniforms. • Classroom supplies/consumables Bunsen Burners, test tubes, chemicals, mechanic wrenches, etc. • Golf Carts • Trailers • Trucks/Tractors and cars 	

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	Type of Expenditure	Authority
	<ul style="list-style-type: none"> • Landscape equipment Mowers, etc. • School maintenance equipment Floor polisher/scrubber, etc. • Cleaning & janitorial supplies • Band equipment/Uniforms • Mascot Uniforms 	
i.	Career Technical Education Facilities Program expenditures for equipment which does not have an average life expectancy of at least 10 years.	Ed Code Section 17078.72(a) & SFP Reg. Sections 1859.193(a)&(b) & 1859.199

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7. Career Technical Education Facilities Program – Modernization Common Ineligible Project Expenditures

	Type of Expenditure	Authority
a.	Acquisition and development of real estate.	Ed Code Section 17078.72 & SFP Reg. Sections 1859.193(c) & 1859.199
b.	Administrative and overhead costs including indirect costs for general management.	
c.	Campus supervision going beyond construction site security (such as campus security and administrative overhead).	
d.	Repair of damages incurred during construction are not eligible	
e.	Expenditures associated with Facility Hardship SAB approvals which were not constructed as originally approved (see Regulation Section 1859.82).	
f.	Operational costs (such as service contracts, <u>the development of the School Facility Program Five-Year School Facilities Master Plan,</u> and maintenance expenses or commissioning).	
g.	Supplies as described in the California School Accounting Manual (CSAM), Procedure 770.	
h.	Items not considered Furniture and Equipment because they are considered operational or supplies in nature, including: <ul style="list-style-type: none"> • Computers • Printers • Computer Carts • Teacher and student text books. • Athletic Team supplies/training equipment/uniforms. • Classroom supplies/consumables Bunsen Burners, test tubes, chemicals, mechanic wrenches, etc. • Golf Carts • Trailers • Trucks/Tractors and cars 	Ed Code Section 17078.72 & SFP Reg. Sections 1859.193(c) & 1859.199

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	Type of Expenditure	Authority
	<ul style="list-style-type: none"> • Landscape equipment Mowers, etc. • School maintenance equipment Floor polisher/scrubber, etc. • Cleaning & janitorial supplies • Band equipment/Uniforms • Mascot Uniforms 	
i.	Career Technical Education Facilities Program expenditures for equipment which does not have an average life expectancy of at least 10 years.	Ed Code Section 17078.72(a) & SFP Reg. Sections 1859.193(c) & 1859.199

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**8. Facility Hardship (Non-Seismic) – Replacement
 Separate Apportionment for Design Costs
 Or Adjusted Grant
 Common Ineligible Project Expenditures**

If the facility hardship expenditure is not able to be categorized on the list of eligible SFP expenditures then it is considered ineligible.

Any work beyond the minimum work necessary, as indicated in the project’s industry specialist report, to mitigate the health and safety issue(s), or work that was triggered by the health and safety mitigation work and that is required in order to obtain DSA approval, is not eligible.

Elective work or upgrades outside of the required scope of work done by the District are not eligible for funding.

DESIGN COSTS		
	Type of Ineligible Expenditure	Authority
a.	Legal Fees not attributable to the project	Ed Code Section 17072.35 & SFP Reg. Section 1859.82
b.	For projects that received Design funds only any site and/or construction related expenditures are not eligible	
<u>c.</u>	<u>Operational costs (such as service contracts, and the development of the School Facility Program Five-Year School Facilities Master Plan).</u>	

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**9. Facility Hardship (Non-Seismic) – Replacement
 Separate Apportionment for Site Acquisition Costs
 Common Ineligible Project Expenditures**

If the facility hardship expenditure is not able to be categorized on the list of eligible SFP expenditures then it is considered ineligible.

Any work beyond the minimum work necessary, as indicated in the project’s industry specialist report, to mitigate the health and safety issue(s), or work that was triggered by the health and safety mitigation work and that is required in order to obtain DSA approval, is not eligible.

Elective work or upgrades outside of the required scope of work done by the District are not eligible for funding.

CONSTRUCTION COSTS		
	Type of Expenditure	Authority
a.	Relocation costs not considered reasonable such as: goodwill not court ordered; the difference between the salvage value and new value of furniture and equipment costs, if the business vendor retains the furniture and equipment.	Ed Code Section 17072.35
b.	For projects that received site funds only (did not receive construction funds) any construction related expenditures are not eligible.	
<u>c.</u>	<u>Operational costs (such as service contracts, and the development of the School Facility Program Five-Year School Facilities Master Plan).</u>	

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**10. Facility Hardship (Non-Seismic) – Replacement
 Adjusted Grant
 Common Ineligible Project Expenditures**

If the facility hardship expenditure is not able to be categorized on the list of eligible SFP expenditures then it is considered ineligible.

Any work beyond the minimum work necessary, as indicated in the project’s industry specialist report, to mitigate the health and safety issue(s), or work that was triggered by the health and safety mitigation work and that is required in order to obtain DSA approval, is not eligible.

Elective work or upgrades outside of the required scope of work done by the District are not eligible for funding.

CONSTRUCTION COSTS		
	Type of Ineligible Expenditure	Authority
a.	Administrative and overhead costs including indirect costs for general management.	Ed Code Section 17072.35 & SFP Reg. Section 1859.82
b.	Campus supervision going beyond construction site security (such as campus security and administrative overhead).	
c.	Repair of damages incurred during construction are not eligible	
d.	Expenditures which have been reimbursed from another source such as insurance proceeds.	
e.	Expenditures associated with Facility Hardship SAB approvals which were not constructed as originally approved (see Regulation Section 1859.82).	
f.	Operational costs (such as service contracts, <u>the development of the School Facility Program Five-Year School Facilities Master Plan</u> , and maintenance expenses or commissioning).	
g.	Supplies as described in the California School Accounting Manual (CSAM), Procedure 770.	Ed Code Section 17072.35 & SFP Reg. Section 1859.82
h.	Items not considered Furniture and Equipment because it is considered operational or supplies in nature are not eligible, including: <ul style="list-style-type: none"> • Computers • Printers 	

ATTACHMENT A

STATE OF CALIFORNIA
GRANT AGREEMENT
[Proposition 2]
 SCHOOL FACILITY PROGRAM (New 03/25 REV xx/xx)

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CONSTRUCTION COSTS		
	Type of Ineligible Expenditure	Authority
	<ul style="list-style-type: none"> • Computer Carts • Teacher and student text books. • Athletic Team supplies/training equipment/uniforms. • Classroom supplies/consumables Bunsen Burners, test tubes, chemicals, mechanic wrenches, etc. • Golf Carts • Trailers • Trucks/Tractors and cars • Landscape equipment Mowers, etc. • School maintenance equipment Floor polisher/scrubber, etc. • Cleaning & janitorial supplies • Band equipment/Uniforms • Mascot Uniforms 	

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**11. Facility Hardship (Non-Seismic) – Rehabilitation
 Separate Apportionment for Design Costs
 Or Adjusted Grant
 Common Ineligible Project Expenditures**

If the facility hardship expenditure is not able to be categorized on the list of eligible SFP expenditures then it is considered ineligible.

Any work beyond the minimum work necessary, as indicated in the project’s industry specialist report, to mitigate the health and safety issue(s), or work that was triggered by the health and safety mitigation work and that is required in order to obtain DSA approval, is not eligible.

Elective work or upgrades outside of the required scope of work done by the District are not eligible for funding.

DESIGN COSTS		
	Type of Expenditure	Authority
a.	Legal Fees not attributable to the project	Ed Code Section 17074.25 & SFP Reg. Section 1859.82
b.	For projects that received Design funds only any construction related expenditures are not eligible	
<u>c.</u>	<u>Operational costs (such as service contracts, and the development of the School Facility Program Five-Year School Facilities Master Plan).</u>	

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**12. Facility Hardship (Non-Seismic) – Rehabilitation
 Adjusted Grant
 Common Ineligible Project Expenditures**

If the facility hardship expenditure is not able to be categorized on the list of eligible SFP expenditures then it is considered ineligible.

Any work beyond the minimum work necessary, as indicated in the project’s industry specialist report, to mitigate the health and safety issue(s), or work that was triggered by the health and safety mitigation work and that is required in order to obtain DSA approval, is not eligible.

Elective work or upgrades outside of the required scope of work done by the District are not eligible for funding.

	Type of Expenditure	Authority
a.	Administrative and overhead costs including indirect costs for general management.	Ed Code Section 17074.25 & SFP Reg. Section 1859.82
b.	Campus supervision going beyond construction site security (such as campus security and administrative overhead).	
c.	Expenditures which have been reimbursed from another source such as insurance proceeds.	
d.	Repair of damages incurred during construction are not eligible	
e.	Expenditures associated with Facility Hardship SAB approvals which were not constructed as originally approved (see Regulation Section 1859.82).	
f.	Operational costs (such as service contracts, <u>the development of the School Facility Program Five-Year School Facilities Master Plan</u> , and maintenance expenses or commissioning).	
g.	Supplies as described in the California School Accounting Manual (CSAM), Procedure 770.	Ed Code Section 17074.25 & SFP Reg. Section 1859.82
h.	Furniture and Equipment is not an eligible cost for a facility hardship rehabilitation project unless specifically approved by DSA.	

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**13. Facility Hardship (Seismic) – Replacement
 Separate Apportionment for Design Costs
 Or Adjusted Grant
 Common Ineligible Project Expenditures**

If the facility hardship expenditure is not able to be categorized on the list of eligible SFP expenditures then it is considered ineligible.

Any work beyond the minimum work necessary, as indicated in the project’s industry specialist report, to mitigate the health and safety issue(s), or work that was triggered by the health and safety mitigation work and that is required in order to obtain DSA approval, is not eligible.

Elective work or upgrades outside of the required scope of work done by the District are not eligible for funding.

Construction contract executed prior to May 20, 2006 is not eligible.

DESIGN COSTS		
	Type of Ineligible Expenditure	Authority
a.	Legal Fees not attributable to the project	Ed Code Section 17072.35 & SFP Reg. Section 1859.82
b.	For projects that received Design funds only any site and/or construction related expenditures are not eligible	
<u>c.</u>	<u>Operational costs (such as service contracts, and the development of the School Facility Program Five-Year School Facilities Master Plan).</u>	

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**14. Facility Hardship (Seismic) – Replacement
 Separate Apportionment for Site Acquisition Costs
 Common Ineligible Project Expenditures**

If the facility hardship expenditure is not able to be categorized on the list of eligible SFP expenditures then it is considered ineligible.

Any work beyond the minimum work necessary, as indicated in the project’s industry specialist report, to mitigate the health and safety issue(s), or work that was triggered by the health and safety mitigation work and that is required in order to obtain DSA approval, is not eligible.

Elective work or upgrades outside of the required scope of work done by the District are not eligible for funding.

Construction contract executed prior to May 20, 2006 is not eligible.

CONSTRUCTION COSTS		
	Type of Expenditure	Authority
a.	Relocation costs not considered reasonable such as: goodwill not court ordered; the difference between the salvage value and new value of furniture and equipment costs, if the business vendor retains the furniture and equipment.	Ed Code Section 17072.35
b.	For projects that received site funds only (did not receive construction funds) any construction related expenditures are not eligible.	
<u>c.</u>	<u>Operational costs (such as service contracts, and the development of the School Facility Program Five-Year School Facilities Master Plan).</u>	

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**15. Facility Hardship (Seismic) – Replacement
 Adjusted Grant
 Common Ineligible Project Expenditures**

If the facility hardship expenditure is not able to be categorized on the list of eligible SFP expenditures then it is considered ineligible.

Any work beyond the minimum work necessary, as indicated in the project’s industry specialist report, to mitigate the health and safety issue(s), or work that was triggered by the health and safety mitigation work and that is required in order to obtain DSA approval, is not eligible.

Elective work or upgrades outside of the required scope of work done by the District are not eligible for funding.

Construction contract executed prior to May 20, 2006 is not eligible.

CONSTRUCTION COSTS		
	Type of Ineligible Expenditure	Authority
a.	Administrative and overhead costs including indirect costs for general management.	Ed Code Section 17072.35 & SFP Reg. Section 1859.82
b.	Campus supervision going beyond construction site security (such as campus security and administrative overhead).	
c.	Repair of damages incurred during construction are not eligible	
d.	Expenditures which have been reimbursed from another source such as insurance proceeds.	
e.	Expenditures associated with Facility Hardship SAB approvals which were not constructed as originally approved (see Regulation Section 1859.82).	
f.	Operational costs (such as service contracts, <u>the development of the School Facility Program Five-Year School Facilities Master Plan,</u> and maintenance expenses or commissioning).	
g.	Supplies as described in the California School Accounting Manual (CSAM), Procedure 770.	

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CONSTRUCTION COSTS		
	Type of Ineligible Expenditure	Authority
h.	Items not considered Furniture and Equipment because it is considered operational or supplies in nature are not eligible, including: <ul style="list-style-type: none"> • Computers • Printers • Computer Carts • Teacher and student text books. • Athletic Team supplies/training equipment/uniforms. • Classroom supplies/consumables Bunsen Burners, test tubes, chemicals, mechanic wrenches, etc. • Golf Carts • Trailers • Trucks/Tractors and cars • Landscape equipment Mowers, etc. • School maintenance equipment Floor polisher/scrubber, etc. • Cleaning & janitorial supplies • Band equipment/Uniforms • Mascot Uniforms 	Reg. Section 1859.82

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**16. Facility Hardship (Seismic) – Rehabilitation
 Separate Apportionment for Design Costs
 Or Adjusted Grant
 Common Ineligible Project Expenditures**

If the facility hardship expenditure is not able to be categorized on the list of eligible SFP expenditures then it is considered ineligible.

Any work beyond the minimum work necessary, as indicated in the project’s industry specialist report, to mitigate the health and safety issue(s), or work that was triggered by the health and safety mitigation work and that is required in order to obtain DSA approval, is not eligible.

Elective work or upgrades outside of the required scope of work done by the District are not eligible for funding.

Construction contract executed prior to May 20, 2006 is not eligible.

DESIGN COSTS		
	Type of Expenditure	Authority
a.	Legal Fees not attributable to the project	Ed Code Section 17074.25 & SFP Reg. Section 1859.82
b.	For projects that received Design funds only any construction related expenditures are not eligible	
c.	<u>Operational costs (such as service contracts, and the development of the School Facility Program Five-Year School Facilities Master Plan).</u>	

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**17. Facility Hardship (Seismic) – Rehabilitation
 Adjusted Grant
 Common Ineligible Project Expenditures**

If the facility hardship expenditure is not able to be categorized on the list of eligible SFP expenditures then it is considered ineligible.

Any work beyond the minimum work necessary, as indicated in the project’s industry specialist report, to mitigate the health and safety issue(s), or work that was triggered by the health and safety mitigation work and that is required in order to obtain DSA approval, is not eligible.

Elective work or upgrades outside of the required scope of work done by the District are not eligible for funding.

Construction contract executed prior to May 20, 2006 is not eligible.

	Type of Expenditure	Authority
a.	Administrative and overhead costs including indirect costs for general management.	Ed Code Section 17074.25 & SFP Reg. Section 1859.82
b.	Campus supervision going beyond construction site security (such as campus security and administrative overhead).	
c.	Expenditures which have been reimbursed from another source such as insurance proceeds.	
d.	Repair of damages incurred during construction are not eligible	
e.	Expenditures associated with Facility Hardship SAB approvals which were not constructed as originally approved (see Regulation Section 1859.82).	
f.	Operational costs (such as service contracts, <u>the development of the School Facility Program Five-Year School Facilities Master Plan,</u> and maintenance expenses or commissioning).	
g.	Supplies as described in the California School Accounting Manual (CSAM), Procedure 770.	Ed Code Section 17074.25 & SFP Reg. Section 1859.82
h.	Furniture and Equipment is not eligible for a facility hardship rehabilitation project unless specifically approves by DSA.	

ATTACHMENT A

Office of Public School Construction Application Number: _____

I. Record Retention

Grantee shall maintain satisfactory financial accounts, documents, and records for the Project, at a Project-specific level of detail. Grantee shall also retain such financial accounts, documents, and records necessary for an audit, pursuant to Education Code Section 41024(a)(4).

Financial accounts, documents, and records may be retained electronically.
(Authority: Government Code Section 12275(a) and (b), and Education Code Section 41024)

J. Material Inaccuracy

If a failure by the Grantee to comply with the terms of this Agreement, or an audit report determination that the Grantee has violated applicable state or federal law as it relates to this Project, stems from falsely certified information on the Funding Application or Fund Release Application (including certifications made by architects or other design professionals), then Material Inaccuracy findings and penalties, as described in Education Code 17070.51 and SFP Regulation Section 1859.104.1, may apply.

K. Conflict of Interest

All Grantees are subject to State and Federal conflict of interest laws. Failure to comply with these laws, including business and financial disclosure provisions, will result in the application being rejected and any subsequent contract being declared void. Other legal action may also be taken. Applicable statutes include, but are not limited to, Government Code, Section 1090 and Public Contract Code, Sections 10410 and 10411, for State conflict of interest requirements.

1. Employees of the Grantee: Employees of the Grantee shall comply with all applicable provisions of law pertaining to conflicts of interest, including, but not limited to any applicable conflict of interest provisions of the California Political Reform Act, Cal. Gov't Code § 87100 et seq.
2. Employees and Consultants to the Grantee: Individuals working on behalf of the Grantee may be required by the Department to file a Statement of Economic Interests (Fair Political Practices Commission Form 700) if it is determined that an individual is a consultant for Political Reform Act purposes.

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Office of Public School Construction Application Number: _____

L. Severability

If any provision of this Agreement or the application thereof is held invalid, that invalidity shall not affect other provisions or applications of this Agreement which can be given effect without the invalid provision or application, and to this end the provisions of this Agreement are severable.

M. Disputes

1. Any claim that the Grantee may have regarding performance of this agreement including, but not limited to, claims for additional compensation or extension of time, shall be submitted to the Office of Public School Construction. The Office of Public School Construction and Grantee shall then attempt to negotiate a resolution of such claim and process an amendment to this Agreement to implement the terms of any such resolution.
2. Any claim that the Grantee may have regarding the audit report's project expenditure determination shall be adjudicated by the Education Audit Appeals Panel, consistent with Education Code Section 41344.

N. Electronic Filing

Any communication under this Grant Agreement shall be in writing and may be transmitted by electronic means. Communication sent electronically will be effective on the date of transmission.

O. Supplement, Not Supplant

The terms and conditions of this Agreement are intended to supplement, not supplant, the laws and regulations that apply to this Project. The Grantee understands and agrees to adhere to all laws and regulations that apply to this Project, even if those laws and regulations are not specifically cited in this Agreement.

P. Exact Duplicate

This Agreement is an exact duplicate (verbatim) of the Agreement provided by the Office of Public School Construction. In the event a conflict should exist, the language in the Agreement provided by the Office of Public School Construction will prevail.

ATTACHMENT A

STATE OF CALIFORNIA
GRANT AGREEMENT
[Proposition 2]
SCHOOL FACILITY PROGRAM (New 03/25 REV xx/xx)

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SIGNATURES

The statements set forth in this Agreement are true and correct to the best of my knowledge and belief. IN WITNESS WHEREOF, this Agreement has been executed by the parties.

NAME OF GRANTEE REPRESENTATIVE (PRINT)	PHONE NUMBER
SIGNATURE OF GRANTEE REPRESENTATIVE	DATE
SIGNATURE OF EXECUTIVE OFFICER OF THE OFFICE OF PUBLIC SCHOOL CONSTRUCTION, OR DESIGNEE	DATE

REPORT OF THE EXECUTIVE OFFICER
State Allocation Board Meeting, February 25, 2026

PROPOSED EMERGENCY REGULATORY AMENDMENTS FOR THE SCHOOL
FACILITY PROGRAM

PURPOSE OF REPORT

To present the State Allocation Board (Board) with recommendations for the adoption of School Facility Program (SFP) regulatory amendments, on an emergency basis, for the Kindergarten through Grade 12 Schools and Local Community College Public Education Facilities Modernization, Repair, and Safety Bond Act of 2024 (Proposition 2), which was approved by a majority of California's voters on November 5, 2024. These proposed amendments are related to the implementation of the Small School District Program (Program).

AUTHORITY

See Attachment A.

DESCRIPTION

To implement Proposition 2 provisions, the Office of Public School Construction (OPSC) conducted multiple stakeholder meetings to discuss and receive feedback on proposed regulatory amendments resulting from statutory additions and amendments to Education Code (EC). At several of these stakeholder meetings, OPSC introduced proposed concepts and regulations for the Program.

Based upon staff proposals at these stakeholder meetings and the feedback received, OPSC determined that the proposed regulatory amendments related to this topic are able to move forward for Board consideration after some minor adjustments to the version presented in the most recent stakeholder meeting, which are summarized in the Staff Analysis/Statements component of this item.

This item seeks Board approval of staff's recommendation to adopt the proposed regulatory amendments to the SFP regulations to implement and align with new statutory requirements pursuant to the provisions of Proposition 2. This item also seeks Board approval of staff's recommendation to adopt the new *Application for Small School District Program Preliminary Apportionment* (Form SAB 50-12) to align with the proposed regulatory amendments.

BACKGROUND

The passage of Proposition 2 made numerous changes to the SFP that are applicable to applications received on or after October 31, 2024. Staff held six stakeholder meetings for the proposed regulatory amendments presented in this item, on February 13, April 17, June 26, September 18, December 10, 2025, and January 29, 2026. This item includes the seventh set of proposed regulatory amendments for the Board's consideration to implement Proposition 2 provisions

BACKGROUND (cont.)

for applications received on or after October 31, 2024. Additional proposed amendments will be presented at future Board meetings.

Below is an overview of the relevant Proposition 2 statute.

Small School District Program

EC Article 11.5, comprised of EC Sections 17078.35, 17078.36, 17078.37, and 17078.38, was made operative with passage of Proposition 2 to allow the Board to provide a preliminary application process, preliminary apportionment, separate design grants, project assistance grants, and project and construction management grants to Small School Districts (Districts) that meet eligibility requirements and have an enrollment of 2,500 or fewer pupils. The following is a summary of the new statutes:

EC Section 17078.35 defines the following terms for the purposes of Article 11.5:

- “Final Apportionment” has the same meaning as “apportionment” as defined in subdivision (a) of EC Section 17070.15, which is “an allocation of funds for the purpose of eligible new construction, modernization, or hardship approved by the [State Allocation Board] for an applicant school district.”
- “Preliminary Application” means an application for a preliminary apportionment.
- “Preliminary Apportionment” means a reservation of bond authority for eligible applicants in advance of full compliance with all the application requirements otherwise required for an apportionment under the SFP.
- “Project and Construction Management Grant” means a grant for purposes of obtaining the services from a county office of education, other local educational agency with applicable school facilities construction expertise, applicable state department, or a certified private construction consulting entity from a list established by the California Department of Education (CDE) pursuant to EC Section 17078.47(d)(2), to assist with the planning, site acquisition, preconstruction, construction, and closeout of a project.
- “Small School District” is a school district, as defined in EC Section 17070.15, with an enrollment of fewer than 2,501 pupils. “Fewer than 2,501 pupils” is equal to “2,500 or fewer pupils,” the phrasing used in this discussion. The term “School District” is defined in EC Section 17070.15(q) to mean a School District or a County Office of Education.

EC Section 17078.36 states that all SFP provisions apply to the Program except for provisions that expressly conflict with provisions in Article 11.5. This section also specifies that projects funded under Article 11.5 shall not exceed the amounts made available under Proposition 2. EC Sections 101412(a)(1)(A) and (a)(2)(A) authorize up to ten percent of the amounts allocated in Proposition 2 to New Construction and Modernization to be available for the Program. At its January 22, 2025 meeting, the Board set aside the full ten percent of New Construction and

BACKGROUND (cont.)

Modernization bond authority for the Program: \$330 million for New Construction projects and \$400 million for Modernization projects.

EC Section 17078.37 states that all Program projects must submit a preliminary application to the Board and meet all applicable eligibility requirements for applications for New Construction (pursuant to Article 3, commencing with EC Section 17071.75) or Modernization (pursuant to Article 6, commencing with EC Section 17073.10). This means that the bond authority for the total estimated state costs of a project will be reserved at the time of preliminary apportionment, and then the grants will be amended to reflect the actual scope of work in the approved plan set when the full funding conversion application is processed. If requested and determined to be eligible, the Board will also provide a project and construction management grant that is equal to five percent of the state share of the preliminary apportionment.

EC Section 17078.38 requires the Board to adopt regulations on the following:

- Preliminary application
- Preliminary apportionment
- Apportionment of design grants, project assistance grants, and project and construction management grants to qualifying financial hardship applicants, as part of the preliminary apportionment
- Substantial progress requirements on apportionments for design and site grants
- Requirements for a final apportionment for the project

STAFF ANALYSIS/DISCUSSION

Stakeholder Meetings

Stakeholder meetings were conducted on February 13, April 17, June 26, September 18, December 10, 2025, and January 29, 2026. At the initial February 2025 meeting, OPSC provided an overview of the new statutory requirements for the Program codified in EC Sections 17078.35 through 17078.38 and discussed broader components of implementing the statute.

The June meeting was the first time OPSC presented proposed regulations, and the September meeting was the first time OPSC presented the Form SAB 50-12 outside of conceptual discussion. At the December meeting, OPSC proposed updates to the regulations and the Form SAB 50-12 as it was previously presented to update certifications and align with the proposed regulations. Finally, at the January 2026 meeting, OPSC proposed additional updates to the regulations to provide clarity to the site acquisition and various supplemental grants associated with a Preliminary Program Apportionment, in conjunction with proposed amendments to the *Fund Release Authorization* (Form SAB 50-05) and the Grant Agreement [Proposition 2].

STAFF ANALYSIS/DISCUSSION (cont.)

Stakeholder Feedback

Staff appreciate those who attended and those who raised questions or provided feedback. Feedback that was received for each respective stakeholder meeting may be found on Attachment H, alongside the items as previously presented. The table below provides summaries and responses to the feedback OPSC received after the last stakeholder meeting held on January 29, 2026. Collectively, staff’s recommendations presented in this item were informed by stakeholder feedback and represent staff’s final recommendations for implementation of the Program provisions in Proposition 2.

Stakeholder Feedback	OPSC Response
<p>1. At the January 29, 2026 stakeholder meeting, OPSC clarified the existing “Occupancy Requirement” pursuant to SFP Regulation Section 1859.70(a), as it relates to the submittal process of a New Construction application within the Program. OPSC stated that school districts may not occupy classroom facilities within a New Construction project prior to the submittal of the Form SAB 50-12 and the <i>Application for Funding</i> (Form SAB 50-04).</p> <p>The stakeholder raised a concern that this proposal may prevent school districts from receiving funds for eligible New Construction projections, to the extent that there are school districts that need to construct and occupy classrooms after the passage of Proposition 2, but prior to January 15, 2027, which is the proposed date that OPSC would begin accepting Program applications for New Construction.</p> <p>While there is currently New Construction bond authority remaining for new applications in the standard SFP, the stakeholder expressed that authority could potentially be exhausted prior to January 15, 2027. The stakeholder indicated that if small school districts are unable to submit an application for either the standard SFP</p>	<p>1. OPSC acknowledges the stakeholder’s concern related to the New Construction bond authority remaining under the standard SFP in anticipation of the Program’s opening date for New Construction applications. However, based on currently available New Construction bond authority and a projected annual New Construction processing rate of approximately \$469.2 million (based on the 2025 processing rate for New Construction funding), OPSC estimates that New Construction bond authority from Proposition 2 will be available into 2031.</p> <p>Therefore, it appears highly unlikely that New Construction bond authority for the standard SFP will be exhausted prior to the Program’s proposed opening date of January 15, 2027, for New Construction applicants. Applicants that may need to occupy classrooms prior to the Program opening date have the option to submit a New Construction application to the standard SFP.</p>

STAFF ANALYSIS/DISCUSSION (cont.)

Stakeholder Feedback	OPSC Response
<p>1. (cont.) or the new Program prior to occupying classrooms in this circumstance, then they would not be able to participate in either program.</p> <p>The stakeholder suggested considering grandfathering options for small school districts who must proceed with occupying classroom facilities prior to the Program opening date.</p>	<p>1. (cont.)</p>

Proposed SFP Regulations

Below is a summary of the proposed SFP Regulation amendments, which are included as Attachment B:

SFP Regulation Section 1859.2 – Definitions

The new term “Final Small School District Program Apportionment” means a Preliminary Program Apportionment that has been converted to a Final Program Apportionment in accordance with Sections 1859.157.4 through 1859.157.7.

The new term “Form SAB 50-12” means the *Application for Small School District Program Preliminary Apportionment* (Form SAB 50-12), which is proposed to be incorporated by reference.

The existing term “General Location” is amended to add a reference to Section 1859.157.1.

The existing term “Median Cost” is updated to include a reference to EC Section 17078.24 and the Preliminary Program Apportionment pursuant to EC Section 17078.37, which indicates that preliminary applications shall be accepted and apportionments made for new construction and modernization grants “in a manner substantially identical to the preliminary apportionment requirements established in EC Section 17078.24...”

The new term “Preliminary Small School District Program Apportionment” means a reservation of bond authority for eligible applicants under the statutory authority of the Education Code. This reservation of bond authority is in advance of full compliance with all of the application requirements otherwise required for a Final Program Apportionment pursuant to Chapter 12.5 of the Education Code.

The new term “Project and Construction Management Grant” means a grant for purposes of obtaining the services from a county office of education, other local educational agency with applicable school facilities construction expertise,

STAFF ANALYSIS/DISCUSSION (cont.)

applicable state department, or a certified private construction consulting entity from the list maintained pursuant to paragraph (2) of subdivision (d) of EC Section 17078.47, to assist with the planning, site acquisition, preconstruction, construction, and closeout of a project.

SFP Regulation Section 1859.18.1 – Five Year School Facilities Master Plan

The Board approved proposed regulations on an emergency basis related to the five-year school facilities master plan (Master Plan) required by Proposition 2 for applications submitted on or after October 31, 2024, at the January 28, 2026, Board meeting. Section 1859.18.1(f) is added within those regulations, subject to Office of Administrative Law approval, to include timeframes for applicants to the Program, illustrated in the table below:

Small School District Program Applications		
Date of Application Submittal	When is a local governing board resolution required?	When is the Master Plan required?
On or after October 31, 2024	At the time of application submittal for a Preliminary Apportionment	By the time the application request for Final Apportionment is submitted to OPSC using the <i>Application for Funding</i> (Form SAB 50-04)

SFP Regulation Section 1859.51 – Adjustments to the New Construction Baseline Eligibility

The proposed amendments to this section are as follows:

- The addition of the phrase “complete and valid” as it relates to Forms SAB 50-01 or 50-05 submitted to OPSC, consistent with existing regulatory language pertaining to the submittal of applications to OPSC.
- Capitalizing the defined term “School District” throughout for consistency with existing regulatory language.

SFP Regulation Section 1859.74.1 – Site Acquisition Guidelines

This section is proposed to be amended to include certification information for Districts that submit a Form SAB 50-12 and request site acquisition funding authorized by Section 1859.74.

SFP Regulation Section 1859.90.2 – Priority Funding Process

The proposed amendments to this section are as follows:

- Introductory text is amended to include reference to the Preliminary Program Apportionment.

STAFF ANALYSIS/DISCUSSION (cont.)

- Subsection (a) is amended to include reference to approved advance release of design, project assistance, the Project and Construction Management Grant, and/or any site acquisition funds from a Preliminary Program Apportionment as it relates to a District providing a priority funding request.
- Subsection (c) is added to describe the requirements for participation in the Priority Funding process for a District to request an Apportionment or approved advance release of funds resulting from a Preliminary Program Apportionment.
- Non-substantive amendments are also added to this Section, primarily to capitalize defined terms, and subsequent subsections have been relabeled appropriately.

SFP Regulation Section 1859.90.3 – Participation in the Priority Funding Process

This section is updated to specify that the advance release of design, project assistance, the Project and Construction Management Grant, and any site acquisition funds from a Preliminary Program Apportionment are excluded from occurrences related to non-participation in the Priority Funding Process.

SFP Regulation Section 1859.106 – Program Accountability Expenditure Audit

Subsection (f) is added to the regulations to specify that if a District requests the Project and Construction Management Grant and does not obtain project and/or construction management services described in EC Section 17078.35, and does not expend any funds on these services, the total project cost will be reduced for the Project and Construction Management Grant and associated required matching share.

SFP Regulation Section 1859.107 – Amending and Withdrawal of Applications

Amendments within this Section are proposed to specify how OPSC will address circumstances when a District submits more than one application for the same scope of work under one or more Board-administered programs to OPSC.

Additions to this section are as follows:

- OPSC has added a paragraph to this section that states if a District submits more than one application for the same scope of work under one or more Board-administered program(s), OPSC will return all other applications containing the common scope of work upon the first Board action on an application for funding sharing the common scope of work.
- This section also outlines the process by which a District may request a modification of scope in an application that shares a common scope of work with another application (but may not add any additional scope), prior to the first Board action on one of these applications.
- Non-substantive amendments are made to capitalize defined terms.

The intention of the addition to this section is to specify the process for a District when it has more than one application(s) for funding under one or more Board

STAFF ANALYSIS/DISCUSSION (cont.)

administered program(s) that share a common project scope. Upon processing and prior to any Board action on an application for funding, OPSC will verify if there are any other application(s) received by OPSC in which a shared common project scope is identified. Once identified, and prior to any Board action on the application for funding, OPSC will collaborate with the District to verify if the District requests to modify the scope of work in the identified application(s) for funding by clearly delineating remaining eligible scope of work. Otherwise, OPSC shall return all other application(s) containing the common scope of work after Board action.

Modifications Since the Last Stakeholder Meeting

OPSC has updated the proposed amendments to this section to replace references to an “Approved Application” with “application(s) for funding received by OPSC,” so as to more broadly refer to all Board-administered program(s) with respect to applications that may share the same scope of work.

Article 13.5 – Small School District Program

Article 13.5 is proposed to be added to the SFP Regulations, consisting of sections 1859.156 through 1859.158.

SFP Regulation Section 1859.156 – General

This section is created to establish that if a District wishes to participate within the Program pursuant to the provisions of EC Sections 17078.35 through 17078.38, the District must submit a Form SAB 50-12.

This section also specifies that applications for Preliminary Program Apportionments will be processed in order of receipt of a complete and valid Form 50-12, and lists the requirements for New Construction and Modernization eligibility separately from one another. New Construction eligibility establishment and adjustments must be submitted with the Form SAB 50-12 using the current enrollment year. Additionally, this section indicates that the Form SAB 50-12 must be submitted prior to the date of occupancy for any classrooms.

Modifications Since the Last Stakeholder Meeting

As discussed, but not previously presented within the proposed regulations in the January 29, 2026 stakeholder meeting, this section states that applicants must meet the occupancy requirements pursuant to Section 1859.70(a), wherein “...The Board shall only provide New Construction funding if the Approved Application was received by the OPSC prior to the date of Occupancy for any classrooms included in the construction contract.”

OPSC would like to clarify that, consistent with the treatment of Preliminary Applications under the Charter School Facility Program, applicants who have the necessary plan approvals and contracts signed at the stage of submitting a Form SAB 50-12 to OPSC may submit a Form SAB 50-04 for purposes of a Final Program Apportionment concurrently or immediately following the submittal of a

STAFF ANALYSIS/DISCUSSION (cont.)

Form SAB 50-12.

SFP Regulation Section 1859.157 – Application Process

This proposed regulation section is added to do the following:

- Specifies that OPSC, on behalf of the Board, will begin accepting Program Modernization applications on November 2, 2026, and New Construction applications on January 15, 2027.
- Outlines the application process, wherein valid and complete applications will be processed and funded in date order received, and in the event that there are more applications submitted on the same date than can be funded with available program authority, a lottery system will be used to select the project(s) to be funded.
- Specifies the process for when Program funds set aside pursuant to EC Sections 101412(a)(1)(A) and 101412(a)(2)(A) are exhausted, wherein the Board would cease accepting Form SAB 50-12 submittals and return any Form SAB 50-12 submittals that were not approved due to insufficient funds for the Program.

Staff notes that at the December 3, 2025 Board meeting, the Board approved regulatory amendments that require all document submittals related to programs administered by the Board to be completed using OPSC Online beginning January 1, 2027. Subject to approval of these regulations by the Office of Administrative Law, Program applications submitted on or after January 1, 2027 must be submitted via OPSC Online. OPSC will provide outreach and technical assistance to applicants to facilitate this process.

SFP Regulation Section 1859.157.1 – Preliminary Apportionment Grant Determination for New Construction Applications

This proposed regulation section is added for purposes of Preliminary Apportionment Grants for New Construction applications, and specifies the following:

- Defines the calculation for the Preliminary Program Apportionment for New Construction funding.
- Within subsection (a), delineates additional grants that will be provided for eligible New Construction applicants, in addition to methodologies for determining site acquisition and site development value calculations at the time of Preliminary Program Apportionment, in alignment with the Critically Overcrowded Schools (COS) regulatory framework.
- Subsection (b) outlines the calculation for the inflator factor for New Construction projects.
- Subsection (c) specifies that the calculation for the Project and Construction Management Grant will be made after the inflator factor is calculated for the Preliminary Program Apportionment (subsection [b]), and that the grant will be equal to five percent of the sum of the amounts determined in subsections (a) and (b).

STAFF ANALYSIS/DISCUSSION (cont.)Modifications Since the Last Stakeholder Meeting

This section has been updated since the stakeholder presentation on January 29, 2026, to reorganize the supplemental grants to better align with their presentation on the Form SAB 50-12. Additionally, subsection (a)(6)(A) was updated to include the Actual Site Cost pursuant to Section 1859.74(a), to align with the Form SAB 50-12.

SFP Regulation Section 1859.157.2 – Preliminary Apportionment Grant Determination for Modernization Applications

This proposed regulation section is added for purposes of Preliminary Apportionment Grants for Modernization applications, and specifies the following:

- Defines the calculation for determining the Preliminary Program Apportionment for Modernization funding.
- Within subsection (a), delineates additional grants that will be provided for eligible Modernization applicants.
- Subsection (b) outlines the calculation for the inflator factor for Modernization projects.
- Subsection (c) specifies that the calculation for the Project and Construction Management Grant will be made after the inflator factor is calculated for the Preliminary Program Apportionment (subsection [b]), and that the grant will be equal to five percent of the sum of the amounts determined in subsections (a) and (b).

Modifications Since the Last Stakeholder Meeting

Subsection 1859.157.2(a)(10) was added to reference the Career Technical Education supplemental grant, as this was erroneously omitted in prior presentations of the proposed regulations.

Additionally, subsections (a)(1) through (a)(15) were re-ordered to align with the Form SAB 50-12 supplemental grants.

SFP Regulation Section 1859.157.3 – Preliminary Small School District Program Apportionment Fund Release

This proposed regulation section is added to define qualifications for an applicant to receive an advance release of funds at the time of a Preliminary Program Apportionment, and the amount of advance funds that may be released.

Subsections (a) and (b) specify that applicants eligible for Financial Hardship assistance can receive an advance release of funds for design and/or site acquisition at the time of a Preliminary Program Apportionment. Staff notes that Attachment G illustrates the application and fund release process for Financial Hardship applicants to the Program.

STAFF ANALYSIS/DISCUSSION (cont.)

Subsection (c) specifies that any applicant (irrespective of eligibility for Financial Hardship assistance) can receive an advance release of funds for environmental hardship site acquisition at the time of a Preliminary Program Apportionment.

Applicants who are neither eligible for Financial Hardship assistance nor an advance release of funds for environmental hardship site acquisition at the time of a Preliminary Program Apportionment would not be eligible to receive funds until the Preliminary Program Apportionment is converted to a Final Program Apportionment and the District submits a Form SAB 50-05 and grant agreement for fund release.

SFP Regulation Section 1859.157.4 – Conversion of Preliminary Small School District Program Apportionment

This proposed regulation section is added to define the parameters for a District requesting conversion of a Preliminary Program Apportionment to a Final Program Apportionment, wherein the District must submit a valid and complete Form SAB 50-04 and meet all of the criteria outlined in the following subsections:

- Subsection (a) specifies that the total number of pupil grants requested on the Form SAB 50-04 cannot exceed the number approved on the Preliminary Program Apportionment. Additionally, this subsection specifies the total number on the Form SAB 50-04 must be for at least 50 percent of the pupil grants approved by the Board on the Preliminary Program Apportionment for New Construction funding, or for at least 60 percent of the pupil grants approved by the Board on the Preliminary Program Apportionment for Modernization funding.
- Subsection (b) notes that applicants seeking Financial Hardship assistance during their request to convert to a Final Apportionment must re-qualify using the Form SAB 50-04 at the time of conversion.
- Subsection (c) states that any applicant with a qualifying Small School District enrollment of 2,500 students or fewer at the time the applicant received a Preliminary Program Apportionment may convert to a Final Program Apportionment. This subsection is intended to ensure that applicants who received a Preliminary Program Apportionment can convert to a Final Program Apportionment even in the event that the applicant's current enrollment exceeds 2,501 students at the time the applicant submits a Form SAB 50-04.
- Subsection (d) states that funding for Modernization supplemental grants shall be calculated using the enrollment demonstrated within the Preliminary Program Apportionment for purposes of the Minimum Essential Facility and Transitional Kindergarten Classroom supplemental grants.

STAFF ANALYSIS/DISCUSSION (cont.)Modifications Since the Last Stakeholder Meeting

Staff added an additional paragraph within this proposed Section to clarify that if desired, applicants may submit a complete and valid Form SAB 50-04 at the same time as the submittal of a complete and valid Form SAB 50-12.

SFP Regulation Section 1859.157.5 – Time Limit on Preliminary Small School District Program Apportionment

This proposed regulation section specifies the following:

- Subsection (a) requires a complete and valid request to convert a Preliminary Program Apportionment to a Final Program Apportionment to be made within four years of the date of the Preliminary Program Apportionment, unless the applicant receives Board approval of a one-year extension.
- Subsection (b) specifies that if subsection (a) is not met, then the Preliminary Program Apportionment shall be rescinded without further Board action and returned to the fund source.
- Subsection (c) specifies that if subsection (a) is not met, and the District has received an advance release of funds as provided in Section 1859.157.3, the following shall occur:
 - The Preliminary Program Apportionment shall be rescinded without further Board action and funds not released to the applicant shall be returned to the fund source.
 - Applicable New Construction or Modernization eligibility shall be adjusted by the number of pupil grants not used, equal to the number requested on the Form SAB 50-12, less the pupil grants equivalent to the total amount of state funding retained by the applicant.
 - Funds released pursuant to Section 1859.157.3(a) or (b) shall be reduced to cost incurred and closed out pursuant to Section 1859.106, with a corresponding New Construction or Modernization baseline eligibility adjustment for the pupil grants assigned to the Preliminary Program Application. These funds shall be returned to the fund source.

To clarify the meaning of “fund source” within this Section, in accordance with EC Sections 101412(a)(1)(A) and (a)(2)(A), up to 10 percent of the New Construction and Modernization authority authorized under Proposition 2 shall be available to Districts for purposes of the Program pursuant to Article 11.5. At the January 2025 Board meeting, the Board took action to make the full amounts available for the Program. With that action, any funds returned will remain in the Small School District Program unless the Board takes an alternative action in the future.

SFP Regulation Section 1859.157.6 – Preliminary Small School District Program Apportionment Time Limit Extension

This proposed regulation section outlines the process wherein an applicant may request a single-one year extension to the time limit prescribed in Section 1859.157.5, provided the District has provided evidence of one of the following:

STAFF ANALYSIS/DISCUSSION (cont.)

- CDE has made a contingent or final approval for the project or proposed site and the Division of the State Architect (DSA) has confirmed that the final plans for the project have been submitted for DSA review and approval, or
- Other evidence satisfactory to the Board.

Additionally, this section specifies that OPSC must receive the one-year extension request from the applicant on or prior to the deadline for the time limit elapsing.

Modifications Since the Last Stakeholder Meeting

Since the last stakeholder meeting, this section has been updated to clarify language regarding the deadline for OPSC's receipt of a one-year extension request.

SFP Regulation Section 1859.157.7 – Final Small School District Program Apportionment Grant Determination

This proposed regulation section specifies how the amount of the Final Program grant is determined, and the process for Board approval of conversions from Preliminary Program Apportionments to Final Program Apportionments.

Specifically:

- Subsection (a) outlines that if the Final Program Apportionment is equal to or less than the Preliminary Program Apportionment, the Final Program Apportionment shall be funded entirely, with any difference being returned to the fund source, and the Final Program Apportionment being full and final.
- Subsection (b) notes that if the Final Program Apportionment is greater than the Preliminary Program Apportionment, the Board shall approve an increase using any remaining balance in the fund source, if applicable, subject to the following provisions:
 - Subsection (b)(1) specifies that availability of any remaining balance in the fund source shall be prioritized in date order that OPSC received a complete and valid Form SAB 50-04.
 - Subsection (b)(2) states that in the event there are more applications submitted on the same date than can be funded with the balance in the fund source, a lottery system will be used to determine the funding order.

SFP Regulation Section 1859.157.8 – Final Small School District Program Apportionment Fund Release

This proposed regulation section notes that after an applicant has converted a Preliminary Program Apportionment to a Final Program Apportionment, it may request a release of the remaining funds, pursuant to Sections 1859.90 or 1859.90.2.

STAFF ANALYSIS/DISCUSSION (cont.)*SFP Regulation Section 1859.158 – Substantial Progress and Expenditure Reporting Timelines*

This proposed regulation section is added to outline substantial progress and expenditure reporting timelines for Districts receiving funds through the Program. Specifically, this proposed regulation requires the following:

- Subsection (a) states that School Districts must submit an expenditure report on the *Expenditure Report* (Form SAB 50-06) in accordance with the following Program reporting requirements:
 - (a)(1) requires that the first expenditure report is due one year from the date any funds were released for the project, or upon notice of completion of the project to OPSC, whichever occurs first. A project is deemed complete when either of the following occur:
 - (a)(1)(A) specifies a project is complete when the notice of completion for the project has been filed with OPSC, all invoices, claims, and change orders are satisfied and the facility is in use.
 - (a)(1)(B) specifies three years from the date of the final fund release for an elementary school project or four years from the date of the final fund release for a middle or high school project.
 - (a)(2) further denotes that the second and subsequent expenditure reports (as applicable) are due annually beginning one year from the first report, or upon notice of completion of the project to OPSC, whichever occurs first. The final report must be made no later than three years from the date of the final fund release for an elementary school or four years from the date of the final fund release for a middle or high school project.
- Subsection (b) requires a progress report in the form of a narrative due 18 months from the date any funds were released, except as specified. This report is to include information regarding the progress the School District has made toward substantial completion of the project.
- Subsection (c) requires a progress report in the form of a narrative due 12 months from the date the site acquisition funds were apportioned to the School District, pursuant to Section 1859.75.1. This report must include information regarding the progress the School District has made towards acquiring the site.
- Subsection (d) outlines the certification process related to district-owned site acquisition costs for respective school sites.

Proposed Form SAB 50-12

The proposed Form SAB 50-12 on Attachment C is the application the District shall use to apply for a Preliminary Program Apportionment. This form incorporates all of the proposed and existing regulatory requirements, and is a multiuse form for both New Construction and Modernization funding requests for the Program.

STAFF ANALYSIS/DISCUSSION (cont.)

The funds that can be reserved at the Preliminary Small School District Program Apportionment stage include pupil grants; 50 years or older pupil grants; replacement funding for 75 years or older facilities; all New Construction and Modernization funding supplemental grants, including those recently provided as a result of the passage of Proposition 2; the Project and Construction Management Grant; excessive cost hardship grants; and the local funding adjustment grant.

Modifications Since the Last Stakeholder Meeting

Within the General Instructions of the Form SAB 50-12, OPSC has added further definition specific to Special Day Class pupils to align the language on the Form to existing regulatory language.

Additionally, Section 5.e.3) on the Specific Instructions of the Form SAB 50-12 is modified to add a more exact regulatory reference. Section 5.e.4) is updated to delete duplicative hazardous material/waste removal instructions, to include a more exact regulatory reference, and to add language regarding a Response Action checkbox.

Section 5.f. is updated to provide additional detail and more exact regulatory references regarding an allowance for site development.

Next, Section 6.d. is updated to include a specific reference to the amount that may be requested at the Preliminary Program Apportionment stage, respective to site development costs for 50 years or older permanent buildings.

Within the body of the Form SAB 50-12, Section 5.e.4) is updated to include a checkbox for a Response Action, as applicable.

Next, the previously presented Section 8, Priority Order, has been removed since the January 29, 2026 stakeholder meeting. Applicants will not indicate a priority order as all applications will be processed in date order received, rather than by a priority order number, in alignment with the proposed Section 1859.157. This amendment renumbers subsequent sections.

Three additional sections have been added to the Form SAB 50-12: Section 14 (Project Progress Dates), Section 15 (Prevailing Wage Monitoring and Enforcement Costs), and Section 16 (Construction Delivery Method). These sections mirror the Form SAB 50-04, both in the form and in the instructions, to ensure Districts that have signed construction contracts and are submitting a Form SAB 50-12 may indicate that information upon application submittal. This amendment renumbers subsequent sections.

Finally, within the Certification Section of the Form SAB 50-12, a certification is added to reflect the Five-Year School Facilities Master Plan requirements for applications submitted to OPSC on or after October 31, 2024.

STAFF ANALYSIS/DISCUSSION (cont.)**Proposed Amendments to the Form SAB 50-05**

Staff proposes to amend the Form SAB 50-05, as shown on Attachment D, to include fund release requests for applications for the Program.

This amendment includes a new Part III for purposes of requesting a Preliminary Program Apportionment for design only or site acquisition, pursuant to the proposed regulation update to Section 1859.157.3.

Proposed Amendments to the Grant Agreement [Proposition 2]

Staff proposes to amend the Grant Agreement [Proposition 2], as shown on Attachment E, to include the following:

- Definitions for “Form SAB 50-12,” “Preliminary Small School District Program Apportionment,” and “Project and Construction Management Grant” are added.
- Section C (Project Execution) is updated to cite the Program authority.
- A Preliminary Small School District Program Apportionment section has been added to the Grant Agreement, wherein the Grantee agrees to comply with the requirements of Sections 1859.157.4 and 1859.157.7
- Section 1 is updated to include the Small School District Program – New Construction Separate Apportionment for Design Costs or Adjusted Grant.
- Section 2 is updated to include the Small School District Program – New Construction Separate Apportionment for Site Acquisition Costs.
- Section 3 is updated to include the Small School District Program – Adjusted Grant.
- Section 4 is updated to include the Small School District Program – Modernization Separate Apportionment for Design Costs.
- Section 5 is updated to include the Small School District Program – Adjusted Grant.
- Sections 1, 3, 4, and 5 under the Common Eligible Project Expenditures (G) are updated to clarify eligible expenditures related to the Project and Construction Management Grant. Sections 3, 4 and 5 under the Ineligible Project Expenditures (H) are updated to clarify ineligible expenditures related to the Project and Construction Management Grant.

Proposed Amendments to the Form SAB 50-04

At the January 29, 2026 SAB meeting, staff proposed Section 1859.157.4(d)(1) and (d)(2), which states that for purposes of determining the calculation(s) respective to the Minimum Essential Facility and Transitional Kindergarten modernization supplemental grants, applicants shall use the qualifying enrollment as determined at the time of the Preliminary Program Apportionment. OPSC determined since the meeting that the Form SAB 50-04 needed to be updated to align with the proposed regulations. As such, proposed amendments to the Form SAB 50-04 may be found on Attachment F. Specifically, under Sections 6 g. and 6 h., staff has included a sentence that directs applicants to use the enrollment as determined by Section

STAFF ANALYSIS/DISCUSSION (cont.)

1859.157.4 (d)(1) and (d)(2). The intention of this update is to ensure clarity of the timing of the determination and to align with the proposed regulations.

Additionally, staff identified a non-substantive amendment to the General Instructions under number nine, which amends “three” to “five,” as it relates to the period of time a District with 2,500 or fewer enrollment as defined in Section 1859.2 will not have its eligibility reduced for a period of five years from the date the district’s baseline eligibility was approved by the Board.

RECOMMENDATIONS

1. Adopt the proposed amendments to the SFP Regulations as shown on Attachment B.
2. Adopt the proposed Form SAB 50-12 as shown on Attachment C.
3. Adopt the proposed amendments to the Form SAB 50-05 as shown on Attachment D.
4. Adopt the proposed amendments to the Grant Agreement [Proposition 2] as shown on Attachment E.
5. Adopt the proposed amendments to the Form SAB 50-04 as shown on Attachment F.
6. Authorize the Executive Officer to file the proposed regulatory amendments with the Office of Administrative Law on an emergency basis and make the regulations permanent.

This Item was approved by the State Allocation Board on February 25, 2026.

Office of Public School Construction Application Number: _____

GENERAL INFORMATION

Grantee Name: _____

School Name: _____

Grant Amount: _____ of which _____ is Financial Hardship Assistance.

Authority: _____ [relevant Bond Act(s)]

SFP Program Funding Source: _____
(e.g., New Construction, Modernization, Charter Schools Facilities Program, Small School District Program, or Career Technical Education Facilities Program)

Future Priority Funding Rounds: _____ (first priority funding window, second priority funding window)

PROJECT DESCRIPTION

Type of Work: _____ (e.g., New Construction, Modernization, Career Technical Education Facilities Program New Construction, Facility Hardship rehabilitation work funded with New Construction grants, Facility Hardship replacement work funded with Modernization grants, etc.)

New School or Addition to an Existing Site: _____

Number of Classrooms: _____

Financial Hardship Approval Date: _____

Financial Hardship Status is valid until: _____ (date)

Agreement includes Grants for: _____ (Site Acquisition; Department of Toxic Substances Control fees and hazardous waste removal; etc.)

Agreement includes Grants for: _____ (Site Development, if appropriate)

Other Facilities being newly constructed, modernized, replaced, or rehabilitated: _____

[Proposition 2]
SCHOOL FACILITY PROGRAM
(New 03/25 REV xx/xx)

Office of Public School Construction Application Number: _____

Square Footage being replaced: _____ Toilet Area sq. ft.
_____ Other Area sq. ft. (all non-toilet area)
(include for Facility Hardship replacement or Seismic Mitigation Program replacement projects)
For purposes of Facility Hardship and Seismic Mitigation Program projects, shower/locker area is considered "toilet area."

Approved rehabilitation cost estimate: _____
(include for Facility Hardship rehabilitation or Seismic Mitigation Program rehabilitation projects)

This project scope and resulting funding determination relied on the following documentation and state agency approvals:

- The Funding Application (Form SAB 50-04), executed by the District Representative on XXXXX
- The Application for Charter School Preliminary Apportionment (Form SAB 50-09), executed by the District Representative on XXXXX
- The Application for Small School District Preliminary Apportionment (Form SAB 50-12), executed by the District Representative on XXXXX
- The Application for Career Technical Education Facilities Funding (Form SAB 50-10), executed by the District Representative on XXXXX
- Site Approval letter from the California Department of Education dated XXXXX
- Plan Approval letter from the California Department of Education dated XXXXX
- Division of the State Architect Approval letter(s) dated XXXXX for DSA Application Number(s) YYYY.
- Financial Hardship Approval Letter from the Office of Public School Construction dated XXXXX
- Bridge Financing Approval Letter from the Office of Public School Construction dated XXXXX
- The industry specialist report prepared by (insert name of specialist or firm), dated XXXXX that details the minimum work necessary to mitigate the (health and safety or seismic) threat in this (rehabilitation or replacement) application
- Written concurrence dated XXXX from (enter name of governmental agency) agreeing with the (health and safety or seismic) threat and the minimum work to mitigate the threat in the industry specialist report

A copy of the documentation listed here is available as part of the project file maintained by OPSC, and is also retained by the District for purposes of the project audit.

Grants are to be used in accordance with the provisions contained in the Leroy F. Greene School Facilities Act of 1998 (Education Code, Title 2, Division 1, Part 10, Chapter 12.5, commencing with Section 17070.10) and this Agreement.

The Grantee shall not make any change to the Project that would require a Change of Scope, without the State Allocation Board first approving the change to the Project.

Office of Public School Construction Application Number: _____

TERMS AND CONDITIONS OF GRANT

A. Definitions

Terms not defined below shall have the same meaning as set forth in SFP Regulation Section 1859.2.

"Act" means the Leroy F. Greene School Facilities Act of 1998 (Education Code, Title 1, Division 1, Part 10, Chapter 12.5, commencing with Section 17070.10).

"Agreement" means a contract to do or not to do a certain thing and refers to this Grant Agreement.

"Application" means a request pursuant to the Act to receive funding for a school project.

"Apportionment" shall have the meaning set forth in Education Code Section 17070.15(a).

"Audit report" means the annual compliance reviews and fiscal reviews of the Grantee's finances, in accordance with the Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting.

"Board" means the State Allocation Board as established by Section 15490 of the Government Code.

"Capital Outlay," for the purposes of the Grantee using Savings, pursuant to School Facility Program Regulation Section 1859.103, means capital assets in accordance with Section G of this Agreement.

"Change of Scope" means the addition or deletion of any work that would change the approved Grant amount for the Project or require updated state agency approval(s). This includes, but is not limited to, changes to site acquisition acres, or buildings, including but not limited to classrooms, multipurpose rooms, gymnasiums, administration buildings, restrooms, and libraries/media centers, and any changes to the size of those buildings, the type of building (e.g. portable, modular, or permanent), or the location on the school site of those buildings.

"Charter School Agreements" mean a memorandum of understanding, a funding agreement, and a use agreement as established by the California School Finance Authority.

"Classroom" means a teaching station that has the same meaning as the term used in Education Code Section 17071.25(a)(1).

"Expenditure Report" means the Form SAB 50-06 *Expenditure Report* and all required supplementary documentation, including but not limited to a detailed listing of project expenditures organized by fund source and provided at an object-code-level of accounting detail, pursuant to the California School Accounting Manual, that shall include fields to identify information including, but not limited to dates, payees, warrant numbers, and the description and purpose of the expenditures as described in California Code of Regulations, Title 2, Regulation Section 1859.104.

"Financial Hardship" means State funding for all or a portion of the Grantee's matching share required by School Facility Program Regulation Section 1859.77.1 or 1859.79.

"Funding Application" means the Form SAB 50-04, *Application for Funding*, or the Form SAB 50-09, *Application for Charter School Preliminary Apportionment*, or the Form SAB 50-10, *Application for Career Technical Education Facilities Funding*, and all required supplementary documentation pursuant to the Act and California Code of Regulations, Title 2, Regulation Sections 1859.70, 1859.161 or 1859.191, as applicable.

"Form SAB 50-12" means the *Application for Small School District Program Preliminary Apportionment*, Form SAB 50-12 (New [XX/26]), which is incorporated by reference.

"Fund Release Application" means the Form SAB 50-05, *Fund Release Authorization*, and all required supplementary documentation, which includes but is not limited to this Agreement, pursuant to the Act and the Regulations.

Office of Public School Construction Application Number: _____

“Grants” means all eligible program grants provided by the Board to the Grantee in this Agreement.

“Grantee” means the school district (as defined in California Code of Regulations, Title 2, Regulation Section 1859.2), charter school, or joint powers authority, as applicable, whose representative has signed this Agreement for Grants.

“Grantee Representative” means the authorized representative of a school district (as defined in California Code of Regulations, Title 2, Regulation Section 1859.2), charter school, or joint powers authority, as applicable, who signed this Agreement for Grants.

“Hazardous Material/Waste Removal Fund” shall mean the fund established pursuant to California Code of Regulations, Title 2, Regulation Section 1859.163.3(b).

“In Escrow, Governmental Entities” means the approval and signature of instrument(s) that will convey a specified school parcel or site from the public/government entity including the federal government for a determinable sum, and for a determinable date of acquisition which may be based on the Grantee’s receipt of funding from the Board.

“In Escrow, Non-Governmental Entities” means the deposit of signed instrument(s) and/or funds with instructions with a title company or escrow agent to carry out the provisions of an agreement or contract to acquire a specified school parcel or site for a determinable sum, and for a determinable date of acquisition which may be based on the Grantee’s receipt of funding from the Board.

“Ineligible Expenditure” means an expenditure of Grants not in accordance with this Agreement or the applicable laws and regulations governing the use of Grants.

“Local auditor” means an auditor hired at the Grantee’s expense who conducts annual compliance reviews and fiscal reviews of the Grantee’s finances, in accordance with the Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting.

“Material Inaccuracy” means a finding of falsely certified eligibility or Funding Application related information submitted by Grantees, architects, or other design professionals that allowed the Grantee an advantage in the funding process. For penalties associated with Material Inaccuracy findings, see Education Code Section 17070.51.

“Modernization” means projects that are eligible for Grants based on Education Code Title 1, Division 1, Part 10, Chapter 12.5, Articles 6 (commencing with Section 17073.10) and 7 (commencing with Section 17074.10).

“Most Vulnerable Category 2 Buildings” means the building meets the criteria outlined in Section 1859.82.2 and is one of the following building types:

C1 – Concrete Moment Frame

C1B – Reinforced Concrete Cantilever Columns with Flexible Diaphragms

C2A - Concrete Shear Wall with Flexible Diaphragms

C3A – Concrete Frame with Infill Masonry Shear Walls and Flexible Diaphragms

PC1 – Precast/Tilt-up Concrete Shear Wall with Flexible Diaphragms

PC1A – Precast/Tilt-up Concrete Shear Wall with Rigid Diaphragms

PC2 – Precast Concrete Frame without Concrete Shear Walls and with Rigid Diaphragms

URM – Unreinforced Masonry Bearing Wall with Flexible Diaphragms

RM1 – Reinforced Masonry Bearing Wall with Flexible Diaphragms

URMA – Unreinforced Masonry Bearing Wall with Rigid Diaphragms

S1B – Steel Cantilever Columns with Flexible Diaphragms

S3 – Steel Light Frame Metal Siding and/or Rod Bracing, or

M – Mixed construction containing at least one of the above structure types.

[Proposition 2]

SCHOOL FACILITY PROGRAM
(New 03/25 REV xx/xx)

Office of Public School Construction Application Number: _____

“New Construction” means projects that are eligible for Grants based on Education Code Title 1, Division 1, Part 10, Chapter 12.5, Articles 3 (commencing with Section 17071.75), 4 (commencing with Section 17072.10), and 5 (commencing with Section 17072.20).

“Occupancy” means the point at which pupils occupy a classroom as evident by district documents such as the school board’s adopted calendar, classroom attendance rosters, fire marshal approval of the classroom, etc.

“Office of Public School Construction (OPSC)” means the office within the California Department of General Services that assists the Board as necessary and administers the Act on behalf of the Director of General Services.

“Other Sources of Funds” means cash, the Grantee’s matching funds, or in-kind contributions that are required or used to complete the project beyond the Grants provided by this Agreement.

“Preliminary Funding Application” means the Form SAB 50-09, *Application for Charter School Preliminary Apportionment*, and all required supplementary documentation pursuant to the Act and the Regulations.

“Preliminary Small School District Program Apportionment” means a reservation of bond authority for eligible applicants under Article 11.5 of Chapter 12.5 of the Education Code. The reservation of bond authority is in advance of full compliance with all of the application requirements otherwise required for a Final Small School District Program Apportionment, pursuant to Chapter 12.5 of the Education Code.

“Project” means the purposes for which the Grantee has applied for the Grants detailed in this Agreement.

“Project and Construction Management Grant” means a grant for purposes of obtaining the services from a county office of education, other local educational agency with applicable school facilities construction expertise, applicable state department, or a certified private construction consulting entity from the list maintained pursuant to paragraph (2) of subdivision (d) of Education Code Section 17078.47, to assist with the planning, site acquisition, preconstruction, construction, and closeout of a project.

“Regulations” means the School Facility Program regulations (California Code of Regulations, Title 2, Division 2, Chapter 3, Subchapter 4, Group 1, Subgroup 5.5, commencing with Regulation Section 1859).

“Relocation/DTSC Fee Fund” shall mean the fund established pursuant to Regulation Section 1859.163.3, in order to set aside funding at the time Preliminary Charter School Apportionments are approved by the Board for relocation expenses and/or DTSC fees that will be provided at the Final Charter School Apportionment upon submission of actual costs.

“Savings” means Grants not used by the Grantee for the Project, pursuant to Regulation Section 1859.103, achieved by the Grantee’s efficient and prudent expenditure of Grants.

“School District” shall have the meaning set forth in Education Code Sections 17070.15(m) and 17073.25.

“School Facility Program (SFP)” means the programs implemented under the Act.

“State” means the state of California.

“Unfunded List (Lack of AB 55 Loans)” means an information list of unfunded projects that was created due to the state’s inability to provide interim financing from the Pooled Money Investment Account (AB 55 loans) to fund school construction project as declared in the Department of Finance Budget Letter #33 issued on December 18, 2008.

(Authority: SFP Regulation 1859.2)

B. Term of Grant Agreement

The Grantee and the Executive Officer, or designee, of the Office of Public School Construction shall be the parties to this Agreement. This Agreement must be entered into by both parties prior

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to, and as a condition of, the release of any funding for the Project. This Agreement becomes effective on the date the Board approves the Project for either an Apportionment or placement on the Unfunded List (Lack of AB 55 Loans). This Agreement terminates once (1) all Grants and the Grantee's matching funds, including interest generated by the Grants, is expended, and when all of the Parties' obligations under this Grant Agreement are fully satisfied, or (2) if the Board rescinds the unfunded approval or apportionment, or (3) if the Grantee withdraws its Funding Application.

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C. Project Execution

1. The Board hereby awards to the Grantee a sum of money (Grants) \$_____ in consideration of and on condition that the sum be expended in carrying out the purposes as set forth in the description of the Project in this Agreement and its attachments and under the Terms and Conditions set forth in this Agreement.
Grants may also be expended for the purposes of a future high priority Capital Outlay project as the result of Savings, or for the purposes of reimbursement, pursuant to SFP Regulation Section 1859.90.4.

(Authority: New Construction: Education Code Sections 17072.20 and 17070.63; New Construction and Modernization: SFP Regulations Article 8 commencing with Section 1859.70; Charter School Facilities Program: Article 14 commencing with Section 1859.160; Career Technical Education Facilities Program: Article 16 commencing with Section 1859.190; Small School District Program: Article 12.5 commencing with Section 1859.157)

2. Prior to the release of any funding for the Project, Office of Public School Construction staff has completed the following steps to finalize the Project funding amount outlined in this Agreement, as necessary:
 - i. The Funding Application was accepted on _____ (date) and deemed to meet the definition of an Approved Application. The Grantee was provided written notification of any deficiencies and given 24 hours to remedy the identified deficiency(s) in order to retain the date upon which it was received.
 - ii. Upon confirmation of an Approved Application, Office of Public School Construction staff reviewed the Funding Application for compliance with School Facility Program Regulations and verified eligibility for all available program grants. The Grantee was provided written notification of all deficiencies and/or changes necessary and given 15 calendar days to respond and remedy the identified deficiencies and/or changes necessary.
 - iii. Upon review of the submitted corrections, Office of Public School Construction staff provided the Grantee written notification of any final deficiencies and required a response within four business days.
 - iv. Upon receipt of the final amendments to the Funding Application, the Office of Public School Construction staff and the Grantee agreed that the Project was ready for presentation to the Board for either an Apportionment or placement on the Unfunded List (Lack of AB 55 Loans).

(Authority: SFP Regulation Sections 1859.2, 1859.70, 1859.90, 1859.93, 1859.93.1; and Office of Public School Construction process)

3. Grantee certifies that the Project complies with all laws and regulations applicable to the Project.

(Authority: Form SAB 50-04 certifications)

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4. Grantee certifies that the Project complies with all labor and public contract laws, as applicable, including, but not limited to:
- i. Public Contract Code Section 20111.6, as added by Chapter 808, Statutes of 2012 (Assembly Bill 1565), which became effective on September 30, 2012. Beginning January 1, 2014 through December 31, 2018, new contracting requirements are effective for school districts with an average daily attendance of 2,500 or more for construction projects with estimated expenditures of at least \$1,000,000 that will be funded through the SFP or any future state school bonds. These new Public Contract Code requirements require a standardized prequalification questionnaire and financial statement to be verified under oath from all bidders.
 - ii. Labor Code Section 1773.3, as amended by Senate Bill 854, Chapter 28, Statutes of 2014, which requires school districts that have School Facility Program projects with an initial public works contract awarded on or after January 1, 2012, to notify the Department of Industrial Relations (DIR). The DIR must provide prevailing wage monitoring services for all such projects, except in the cases of: (1) the district operates a DIR-approved internal wage monitoring program; or (2) the district has entered into a collective bargaining agreement that includes the requirements specified in Labor Code section 1771.4(b)(2).
 - iii. Chapter 378, Statutes of 2011 (Assembly Bill 436), which required the Department of Industrial Relations to monitor and enforce prevailing wage requirements for every State bond funded project, including School Facility Program projects, pursuant to Labor Code Section 1771.7 for projects in which the initial public works construction contract was awarded before January 1, 2012. The Project must have also been apportioned from either Proposition 47 or 55 and the construction phase of the Project commenced on or after April 1, 2003.
 - iv. Chapter 868 Statutes of 2002 (Assembly Bill 1506), which made projects funded from either Proposition 47 (2002) or Proposition 55 (2004) with a notice to proceed date on or after April 1, 2003 subject to Labor Compliance Program requirements as outlined in Labor Code Section 1771.5.

Project Execution Signature

All laws and regulations noted in Sections (i), (ii), (iii), and (iv) above have been, and will be, followed, as applicable.

X _____ Date _____

(Authority: Form SAB 50-04 certifications)

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D. Receiving Board Approval

1. Grantee must have (1) title, (2) leasehold, or (3) other interest to Project lands. Title may include an order for pre-judgement possession issued by a court in an eminent domain proceeding.

(Authority: Education Code Section 17070.70; SFP Regulation Sections 1859.74 and 1859.74.1)

2. Grantee understands and agrees that the Grants, combined with local funds, shall be sufficient to complete the Project.

(Authority: Education Code Section 17070.63(a))

3. The Grantee has established a "Restricted Maintenance Account" for the exclusive purpose of providing ongoing and major maintenance of school buildings and has developed an ongoing and major maintenance plan that complies with and is implemented under the provisions of Education Code Section 17070.75 and 17070.77 (refer to Regulation Sections 1859.100 through 1859.102).

(Authority: SFP Regulation Section 1859.100 and Form SAB 50-04 certifications)

4. The Grantee has or will comply with Education Code Section 17076.11 regarding at least a three (3) percent expenditure goal for disabled veteran business enterprises.

(Authority: Form SAB 50-04 certifications)

5. The Grantee understands and agrees that (1) Grants required to be adjusted for site acquisition for both New Construction and Charter School Facilities Program projects, and (2) Grants not used by the Grantee that failed to meet substantial progress and (3) unspent Financial Hardship Grants, (4) unspent Charter School Facilities Program Grants, or (5) unspent Career Technical Education Facilities Program Grants must be returned to the state school facilities fund from which the Grants were apportioned as a result of an audit, pursuant to Education Code Section 17076.10 and Education Code Section 41024, as applicable.

6. The Grantee understands and agrees that, if it does not remit the amount of Ineligible Expenditures identified in the audit report within 120 days of being invoiced by the Office of Public School Construction, and if no repayment plan has been approved pursuant to paragraph (d) of Section 41024 of the Education Code, then the Controller shall deduct the total amount of any Ineligible Expenditures from apportionments pursuant to paragraph (d) of Section 41024 of the Education Code. The Grantee may request a payment plan pursuant to paragraph (d) of Section 41024 of the Education Code.

7. If the Grants will be used for the construction or modernization of school facilities on leased land, the Grantee has entered into a lease agreement for the leased property that meets the requirements of School Facility Program Regulation Section 1859.22.

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8. The Grantee has established a facilities inspection system to ensure that each of its schools is maintained in good repair.

[Authority: Education Code Section 17070.75(f)]

9. The statutorily-required Grantee matching funds have either been expended by the Grantee, have been deposited by the Grantee in the county fund, or will be expended by the Grantee prior to notice of completion of the project.

(Authority: Education Code Sections 17072.30, 17074.16, 17078.72(g)(1), 17078.54(d), and 17075.10(b)(2); Form SAB 50-04 certifications)

10. The Grantee has considered the feasibility of using designs and materials for the new construction or modernization project that promote the efficient use of energy and water, maximum use of natural light and indoor air quality, the use of recycled materials and materials that emit a minimum of toxic substances, the use of acoustics conducive to teaching and learning, and the other characteristics of high performance schools.

(Authority: Education Code Section 17070.96)

11. Financial Hardship Review Process

- i. If the Grantee has requested Financial Hardship Grants, the Financial Hardship approval from the Office of Public School Construction was valid (Financial Hardship approvals are valid for 180 days) on the date the Approved Funding Application was received by the Office of Public School Construction.

[Authority: SFP Regulation Section 1859.81(e)]

- ii.

- a) If the Grantee has requested Financial Hardship Grants and has a bridge financing debt instrument in place, or will have a bridge financing debt instrument in place in the future in order to move the Project forward until Grants become available, then the Grantee agrees that it has received, or will receive, bridge-financing approval from the Office of Public School Construction.
- b) The Grantee also agrees to retire all bridge financing debt within 60 calendar days of receiving Grants. Failure to retire all bridge financing debt within 60 calendar days of receiving Grants will result in the amount of the Financial Hardship Grants in this Agreement being reduced by the amount of the bridge financing that was not retired.

- iii. If the Project remained on the Unfunded List (Lack of AB 55 Loans) for more than 180 days, the Grantee understands and agrees that the Office of Public School Construction shall conduct a review to determine if the Grantee has additional funds available to contribute to the Grantee's matching funds.

[Authority: SFP Regulation Section 1859.81(e) and (f)]

- iv. If the additional Office of Public School Construction review, pursuant to Section (iii) above, determined that the amount of the Financial Hardship Grant required an adjustment, pursuant to Financial Hardship rules detailed in SFP Regulation Section 1859.81, the amount of the Grants detailed in this Agreement will be amended.

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[Authority: SFP Regulation Section 1859.81(a)]

12. [Instructions: The following sections only apply to the program, or other circumstance, that is detailed in this Agreement.]

New Construction:

- i. The Grantee has received approval of the site and the plans from the California Department of Education and the Division of the State Architect. Plan approval is not required if request is for separate design Apportionment.

(Authority: SFP Regulation Section 1859.81.1)

- ii. The Grantee agrees to submit Project Information Worksheets pursuant to School Facility Program Regulation Section 1859.104.

Seismic Mitigation Program Replacement or Facility Hardship Replacement:

The Grantee agrees that the scope of this Project is the minimum work necessary to obtain approval by the Division of the State Architect and/or the federal, state, or local governmental entity with authority over of the work being performed to mitigate the

(health and safety or seismic) threat.

The Project must have an industry specialist report to substantiate the _____

(health and safety or seismic) threat and that details the minimum work necessary to mitigate the threat.

The Project must have concurrence by an appropriate governmental agency agreeing with the _____

(health and safety or seismic) threat and the minimum work necessary to mitigate the threat.

The Project must have the approval letter from DSA verifying that the building(s) in the Project qualify as one of the "Most Vulnerable Category 2 Buildings".

Site Acquisition: The Grantee has complied with Sections 1859.74 through 1859.75.1, as appropriate. The Grantee shall provide all applicable county assessor parcel numbers for the land being acquired for the Project. Grantee understands and agrees that Grants for site acquisition (i.e. site purchase, hazardous materials mitigation, relocation, etc.) as described in Section F (Accounting for Spent Funds) of this Agreement are limited to actual eligible expenditures. Therefore, the audit report may result in an adjustment (increase or decrease) to the Grant amount based on the final approved expenditures related to site acquisition separate and apart from all other Grants.

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Modernization of Portable Classrooms: If this Agreement includes the modernization of portable classrooms eligible for an additional Apportionment pursuant to Education Code Section 17073.15(a), the Grantee certifies that either:

- i. The Grants will be used to replace the portable classrooms and permanently remove the displaced portables from the classroom use within six months of the filing of the Notice of Completion for the project; or,
- ii. It has provided documentation to the Office of Public School Construction which indicates that modernizing the portable classrooms eligible for an additional Apportionment is better use of public resources than the replacement of these facilities.

Modernization of Portable Classrooms on Military Installations: If this Agreement includes the modernization of portable classrooms eligible for an Apportionment pursuant to Education Code Section 17073.15(b), the Grantee certifies that the Grants will be used to replace the portable classrooms located on a military installation that is a recipient of a federal grant for facilities modernization that requires a local matching share with a permanent structure.

(Authority: SFP Regulation Section 1859.78.8)

Modernization or Charter School Facilities Program Rehabilitation: If this Agreement includes the modernization or Charter School Facilities Program Rehabilitation funding, the Grantee has received approval of the plans for the project from the California Department of Education and the Division of the State Architect. Plan approval is not required if request is for separate design Apportionment or advance release of funds for design from a Preliminary Charter School Apportionment.

(Authority: Modernization: SFP Regulation Section 1859.81.1; Charter: SFP Regulation Section 1859.163)

Seismic Mitigation Program Rehabilitation or Facility Hardship Rehabilitation:
The Grantee agrees that the scope of this Project is the minimum work necessary to obtain approval by the Division of the State Architect and/or the federal, state, or local governmental entity with authority over of the work being performed to mitigate the

(health and safety or seismic) threat.

The Project must have an industry specialist report to substantiate the _____

(health and safety or seismic) threat and that details the minimum work necessary to mitigate the threat.

The Project must have concurrence by an appropriate governmental agency agreeing with the _____

(health and safety or seismic) threat and the minimum work necessary to mitigate the threat.

The Project must have the approval letter from DSA verifying that the building(s) in the Project qualify as one of the "Most Vulnerable Category 2 Buildings".

The Project must have the approval letter from DSA indicating that the work in the

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project plans is the minimum work required to mitigate the _____

(health and safety or seismic) threat, which includes any other work triggered by the

(health and safety or seismic) mitigation work and that is required in order to obtain DSA
approval.

Charter:

- i. Facilities to be rehabilitated under the Charter School Facilities Program previously funded with School Facility Program funds meet the requirements of Regulation Section 1859.163.
- ii. The Grantee agrees to submit Project Information Worksheets pursuant to School Facility Program Regulation Section 1859.104.

Charter-Preliminary Charter School Apportionment:

- i. The Grantee agrees that failure to submit a Final Charter School Apportionment within the timelines prescribed for a Preliminary Charter School Apportionment (four years with a possible one year extension subject to Board approval) shall be cause for rescission of the Preliminary Charter School Apportionment; and,
(Authority: SFP Regulation Section 1859.166)
- ii. The Grantee agrees that when the Preliminary Charter School Apportionment is converted to a Final Charter School Apportionment, the funding available for the Final Charter School Apportionment is subject to the provisions of Section 1859.167; and,
(Authority: SFP Regulation Section 1859.167)
- iii. The Grantee agrees that the California School Finance Authority must determine that the Grantee is financially sound at the time of the Preliminary Charter School Apportionment, advance release of design and/or site funds, and at the time of conversion to a Final Charter School Apportionment or the Preliminary Charter School Apportionment will be rescinded; and,
(Authority: SFP Regulation Section 1859.163)
- iv. The Grantee agrees that in addition to this grant agreement, the Grantee must also enter into the Charter School Agreements.
(Authority: SFP Regulation Section 1859.90.2)

Career Technical Education Facilities Program:

The Grantee has complied with the Career Technical Education Facilities Program (CTEFP) eligibility criteria as outlined in Section 1859.192; and,

For Projects that received an Apportionment pursuant to SFP Regulation Section 1859.193(d) (CTEFP reservation of funds):

- i. The Grantee understands and agrees that by reserving funds in advance of obtaining the necessary approvals from California Department of Education and the Division of the State Architect, the Grantee must submit the necessary

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approvals and/or plans and specifications within one year of Apportionment; otherwise the Apportionment will be rescinded without further Board action.

ii. Upon approval for placement on the Unfunded List (Lack of AB 55 Loans), the Grantee will receive a template of the Project Grant Agreement. OPSC will provide the Grantee the final Grant Agreement for the Project upon receipt of the necessary approvals from the Division of the State Architect and California Department of Education

iii. The Grantee understands and agrees that the executed the Grant Agreement must be submitted prior to fund release.

(Authority: SFP Regulation Section 1859.197)

Preliminary Small School District Program Apportionment:

i. The Grantee agrees that failure to submit a request to convert the Preliminary Small School District Program Apportionment to a Final Small School District Program Apportionment within the timelines prescribed for a Preliminary Small School District Apportionment (four years with a possible one-year extension subject to Board approval) shall result in the rescission of the Preliminary Small School District Program Apportionment; and,

(Authority: SFP Regulation Section 1859.157.7.)

ii. The Grantee agrees that when the Preliminary Small School District Program Apportionment is converted to a Final Small School District Program Apportionment, the funding available for the Final Small School District Program Apportionment is subject to the provisions of Section 1859.157.4.

(Authority: SFP Regulation Section 1859.157.4)

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E. Receiving an Apportionment and Receiving Funds

The Grantee and the Executive Officer, or designee, of the Office of Public School Construction shall enter into this Agreement prior to, and as a condition of, the release of any funding for the Project.

(Authority: proposed SFP Regulation Sections 1859.90 and 1859.90.2)

Additionally:

1. If the project is awarded an Unfunded Approval, the Grantee understands and agrees that, pursuant to School Facility Program Regulation Sections 1859.90.2 and 1859.90.3:
 - i. The Grantee shall participate in the priority funding process by submitting a valid priority funding request during a 30-day filing period after being placed on the Unfunded List (Lack of AB 55 Loans) in order to receive an Apportionment in accordance with Regulation Section 1859.90.3.
 - ii. Failure to submit a valid request within the filing period or failure to submit a valid *Fund Release Authorization* (Form SAB 50-05) after the Board approves an Apportionment shall result in an occurrence of non-participation.
 - iii. The Grantee understands and agrees that Grants may not be available for this Project after the Grantee has submitted a valid priority funding request. When the Grantee submits a valid priority funding request and Grants are not available, the Grantee shall not be charged with an occurrence of non-participation.
 - iv. After the second occurrence of non-participation, the funding for the Project shall be rescinded without further action by the Board.

2. Once an Apportionment is awarded, any Grants provided to Grantee under this Agreement will be disbursed upon receipt of a valid Fund Release Authorization, and shall not exceed \$ _____ except for _____
(site-related exceptions)
(Authority: Education Code Sections 17072.13, 17072.14, and 17072.18)

3. Supplementary documentation submitted with, or prior to, a Fund Release Authorization must include this Agreement as well as documentation that proves the following:
 - i. The Grantee has entered into a binding contract(s) for at least 50 percent of the construction included in the plans and specification applicable to this Project.
 - ii. Notice to Proceed dates.
 - iii. For Career Tech projects where the Grantee received an Apportionment without needing Division of State Architect approval, evidence of Division of the State Architect approval date.
(Authority: Form SAB 50-05 certifications)

4. If the Office of Public School Construction finds that the Fund Release Authorization is incomplete, inadequate or inaccurate, it will notify the Grantee that the Grantee has ten (10) business days to address the issue(s). If the issue(s) has not been addressed after ten (10) business days, the Office of Public School Construction will consider the submittal to be

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invalid and the request will be returned to the Grantee. The Grantee will retain the opportunity to submit a valid Fund Release Authorization within 90 days of Apportionment. However, if the Grantee does not submit a valid Fund Release Authorization within 90 days of the Apportionment the Grantee will receive a non-participation occurrence as described in (1.)(ii) above. The Grantee will not receive Grants at that time. Furthermore, any penalties imposed on the Grantee by a contractor, or other consequence, because of delays in payment will be paid by the Grantee and is not reimbursable under this Agreement.

(Authority: proposed amendment to School Facility Program Regulations)

5. If the project received an Apportionment and the Office of Public School Construction finds that the Fund Release Authorization is incomplete, inadequate or inaccurate, it will notify the Grantee that the Grantee has ten (10) business days to address the issue(s). If the issue(s) has not been addressed after ten (10) business days, the Office of Public School Construction will consider the submittal to be invalid and the request will be returned to the Grantee. The Grantee will retain the opportunity to submit a valid Fund Release Authorization within 180 calendar days of Apportionment for non-Financial Hardship districts or 365 calendar days for districts with Financial Hardship approval. However, if the Grantee does not submit a valid Fund Release Authorization within 180 or 365 calendar days the Apportionment will be rescinded without further Board action.

(Authority: SFP Regulation Section 1859.90)

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F. Accounting for Spent Funds

1. For purposes of completing the Expenditure Reports required pursuant to Education Code Section 17076.10, over the course of the project, the Grantee shall maintain a general ledger at a Project-specific level that includes fund, resource, project year, goal, function, and object codes for all expenditures for the Project, including furniture and equipment, as they are described in the *California School Accounting Manual, Procedure 301: Overview of the Standardized Accounting Code Structure and Procedure 345: Illustrations Using Account Code Structure*.

(Authority: Education Code Section 17076.10)

2. Annual Expenditure Reports

Pursuant to Education Code 17076.10, beginning 12 months from the first fund release, and continuing annually for a period of up to _____ years after the final fund release, as described in SFP Regulation Section 1859.104, the Grantee shall submit an Expenditure Report to the Office of Public School Construction.

3. Substantial Progress Compliance Reviews

i. Pursuant to Education Code Section 17076.10, the Grantee shall be subject to a substantial progress review by the Office of Public School Construction under this Agreement with respect to all matters connected with this Agreement. The Grantee shall provide substantial progress documentation 18 months from the latest fund release. The Office of Public School Construction will consider the requirements of substantial progress met if the Grantee submits its Expenditure Report for a completed project up to 18 months from the latest fund release. The Office of Public School Construction must notify the Grantee within 60 days of receiving the documentation if a review and analysis of the information will be conducted.

(Authority: SFP Regulation Section 1859.105)

ii. For Grantees That Have Received Grants for Construction:

The substantial progress documentation required shall include evidence that either 75 percent of the site development work is complete, or 90 percent of the building work is under contract, or 50 percent of all construction activities are complete.

(Authority: School Facility Program Regulation Section 1859.105)

The documentation that the Grantee shall provide shall include, but is not limited to:

- a) The fund source indicated, for each project cost,
- b) Assessor's parcel number, for site acquisition costs,
- c) Qualification Appraisal(s) for Architect/Engineer/Construction Manager,
- d) Architect/Engineer/Construction Management Agreement(s),
- e) Evidence the Grantee has met Disabled Veteran Business Enterprise contractual requirements,
- f) Construction Contract Agreements to date,
- g) Construction Bid Summaries,
- h) Construction Delivery Method,

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- i) Project expenditures, to date, submitted on Detailed Listing of Project Expenditures (DLOPE) worksheet or in an equivalent format [the Office of Public School Construction will review expenditure totals for purposes of determining compliance with substantial progress requirements but will not review expenditures to determine eligibility under the program (this will be done by the local auditor)],
- j) General ledger report that details project expenditures to date
- k) Submittal of written policy and procedures that documents processes for accounting of School Facility Program project activities.
- l) Construction schedule of values or Continuation Sheet
- m) Project cost estimate

(Authority: Education Code Section 17071.10 and SFP Regulation Section 1859.105)

iii. For Grantees That Have Received Advanced Financial Hardship Site Grants or Environmental Hardship Grants:

The documentation that the Grantee shall provide if requested by the Office of Public School Construction shall include, but is not limited to:

- a) The final site appraisal,
- b) The California Department of Education final approval letter, evidence of the completion of any and all California Environmental Quality Act requirements
- c) Final escrow instructions or evidence the Grantee has filed condemnation proceedings including intent to request an order of possession of the site, as applicable.

(Authority: SFP Regulation Section 1859.105 or 1859.105.1, as applicable)

iv. For Grantees That Have Received Advanced Financial Hardship Grants for Design: The documentation that the Grantee shall provide if requested by the Office of Public School Construction shall include, but is not limited to:

- a) An Approved New Construction or Modernization Adjusted Grant Application; or,
- b) A certification that the final building plans have been submitted to and accepted by the Division of the State Architect for review and approval.

(Authority: SFP Regulation Section 1859.105)

v.

- a) Should the Office of Public School Construction determine that the Grantee has not made substantial progress as described in (F)(3)(i), (ii), (iii), and (iv), it will inform the Grantee of its findings and require the Grantee to submit a final expenditure report within 60 days of notification, pursuant to SFP Regulation Section 1859.105. If no Grants have been expended by the Grantee, then the Office of Public School Construction will recommend to the Board that the project be rescinded.
- b) If Grants have been expended by the Grantee, then
 - I. The Project shall be subject to an audit pursuant to Section 41024 of the Education Code and the applicable provisions outlined in Section (F)(4) of this Agreement. The audit shall identify Grants expended in accordance

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with program requirements and the amount of any unspent Grants and the amount of any Ineligible Expenditures.

- II. Once the amount of unspent Grants has been determined in the audit report described in (i) to be repaid and the Grantee repays the Grants, the Office of Public School Construction shall take an item to the State Allocation Board make a corresponding baseline eligibility adjustment, when applicable.

(Authority: SFP Regulation Section 1859.105)

4. Final Project Audit

The Grantee understands and agrees to the following:

- i. Upon Project completion pursuant to SFP Regulation Section 1859.104, the Office of Public School Construction may notify the Grantee, the Grantee's County Office of Education, and the State Controller's Office that the Grantee is subject to an audit of the Project by a local auditor that is in accordance with the Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting. The Grantee shall retain all financial accounts, documents, and records necessary for an audit pursuant to Education Code Section 41024(a)(4) and shall provide Project documentation, if requested by the local auditor.

[Authority: proposed amendment to School Facility Program Regulation Section 1859.104(a)]

- ii. Project documentation that the Grantee shall provide when requested by the local auditor, for the purposes of the audits described in Education Code Section 41024, shall include, but is not limited to:
 - a) Proof of acreage purchased
 - b) Proof of site costs and adjusted site grants, where applicable
 - c) Copy of Form SAB 50-04
 - d) Copy of SAB Board item(s) (Approval of project Apportionment)
 - e) DSA Approval Letter
 - f) Final CDE Approval Letter
 - g) Architect Final Billing
 - h) Proof of Routine Restricted Maintenance Account Deposit or documentation demonstrating district's facilities are maintained in good repair
 - i) Project-specific accounting records, such as a general ledger, as described in Spending Funds (Section F, paragraph 1), for all sources of funding
 - j) Final construction billing and invoices,
 - k) Any and all change orders
 - l) Proof of date of Occupancy
 - m) If the Grantee's matching funds have already been expended for this Project or have been deposited in the County School Facility Fund, the Grantee shall provide accounting records, such as a general ledger, for all sources of funding, verifying those previous expenditures or deposits. If the matching funds have been or will be spent from a Certificate of Participation (COP), then the Grantee shall indicate the fund that the proceeds from the COP were originally deposited

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into or will be deposited into. The Grantee shall also include a copy of the COP booklet. Providing the official notice of intent to sell bonds may be provided to prove that the Grantee will expend the Grants prior to the time the project is completed, as described complete pursuant to SFP Regulation Section 1859.104. If the Grantee has funds from another source not listed here, the Grantee shall provide the accounting records, such as a general ledger verifying the expenditures and deposits.

(Authority: Education Code Section 17076.10 and SFP Regulation Section 1859.106)

- iii. During the local auditor's audit and/or upon completion of the audit report, the Grantee understands and agrees that its Expenditure Report is final and may not be subsequently adjusted or amended.
- iv. The Grantee understands and agrees that:
 - (a) Should the audit report determine that the Grantee spent Grants on Ineligible Expenditures, the local auditor will inform the Office of Public School Construction of the amount of the Ineligible Expenditure. The amount to be remitted will be limited to the proportionate percentage of Grants and Financial Hardship Grants. Grantees will not be required to provide the state with payments related to the amount of their matching funds. Ineligible Expenditures funded by Grants will not be considered Savings.
 - (b) The Grantee may appeal the finding of any Ineligible Expenditures, as described in Education Code Section 41024(d).
 - (c) The Office of Public School Construction will recover Grants spent on Ineligible Expenditures, pursuant to Education Code Section 41024(d)(1).
 - (d) The Grantee may request a repayment plan from the Office of Public School Construction related to the recovery of Grants described in (c).
 - (e) In order to recover funds as part of a repayment plan described in (d), the Office of Public School Construction will notify the State Controller of the repayment plan and the State Controller will withhold funds from the Grantee's principal apportionment or Education Protection Account payments, pursuant to Education Code Section 41024(d).

(Authority: Education Code Sections 17070.63(c), 17076.10, and 41024; SFP Regulation Section 1859.106)

- v. The Grantee shall provide its Expenditure Report for a Project deemed complete pursuant to SFP Regulation Section 1859.104, and any and all audit reports, including the audits of Savings, to the Office of Public School Construction.
- vi. The Grantee shall also provide site access to the local auditor to determine if the project work is in accordance with the Board-approved project scope, including a final inspection for a Project deemed complete pursuant to SFP Regulation Section 1859.104.

(Authority: Education Code Section 17076.10)

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5. Savings Audit(s)

Grantees may retain Savings for expenditure for other high priority Capital Outlay
(*Authority: Education Code Section 17070.63 and SFP Regulation Section 1859.103*)

The Grantee understands and agrees to the following:

- i. Upon the Grantee declaring Savings pursuant to SFP Regulation Section 1859.103, the Office of Public School Construction may notify the Grantee, the Grantee's County Office of Education, and the State Controller's Office, that the Grantee is subject to annual audits of the Savings by a local auditor that is in accordance with the Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting until the Grantee has expended all Savings. The Grantee shall retain all financial accounts, documents, and records necessary for an audit pursuant to Education Code Section 41024(a)(4) and shall provide documentation related to the use of Savings, when requested by the local auditor.

[Authority: proposed amendment to School Facility Program Regulation Section 1859.104(a)]

- ii. Savings documentation that the Grantee shall provide when requested by the local auditor, for the purposes of the audits described in Education Code Section 41024, shall include, but is not limited to:
 - a) The Grantee's final expenditure report submitted to the Office of Public School Construction, and
 - b) Project-specific accounting records, such as a general ledger, as described in Spending Funds (Section F, paragraph 1), and
 - c) General ledger report verifying that the Savings has been deposited to county school facilities fund and detail verifying the expenditure of the funds for high priority Capital Outlay, and
 - d) Construction billing and related invoices.

(Authority: Education Code Section 17076.10 and SFP Regulation Section 1859.106)

- iii. The Grantee understands and agrees that its Savings expenditure reports submitted to the local auditor are final and may not be subsequently adjusted or amended.
- iv. The Grantee understands and agrees that:
 - (a) Should the audit report determine that the Grantee spent Savings on Ineligible Expenditures, the local auditor will inform the Office of Public School Construction of the amount of the Ineligible Expenditure. The amount to be remitted will be limited to the Savings. Grantees will not be required to provide the state with payments related to the amount of their matching funds.
 - (b) The Grantee may appeal the finding of any Ineligible Expenditures, as described in Education Code Section 41024(d).
 - (c) The Office of Public School Construction will recover Grants spent on Ineligible Expenditures, pursuant to Education Code Section 41024(d)(1).
 - (d) The Grantee may request a repayment plan from the Office of Public School Construction related to the recovery of Grants described in (c).

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(e) In order to recover funds as part of a repayment plan described in (d), the Office of Public School Construction will notify the State Controller of the repayment plan and the State Controller will withhold funds from the Grantee's principal apportionment or Education Protection Account payments, pursuant to Education Code Section 41024(d).

(Authority: Education Code Sections 17070.63(c), 17076.10, and 41024; SFP Regulation Section 1859.106)

v. The Grantee shall provide its Savings expenditure reports, and any and all audit reports, to the Office of Public School Construction, pursuant to Education Code Section 17076.10.

vi. The Grantee shall also provide site access to the local auditor to determine if the project work is in accordance with eligible uses of Savings.
(Authority: Education Code Section 17076.10)

6. Site Adjustments

Should the audit report determine that the amount of Grants received for site acquisition requires adjustment, then, upon receipt of the audit, the Office of Public School Construction will present the Project to the State Allocation Board for an adjustment to the Apportionment, in accordance with Education Code Section 41024 (c)(2).

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G. Advisory Listing Detailing Common Eligible Project Expenditures

Project expenditures not listed in this document will not be considered eligible for funding under the School Facility Program.*

Project expenditures will only be considered eligible if:

- The expenditures are within the Project scope that was approved by the State Allocation Board
- The expenditures are substantiated with contracts, invoices, final billings, and verification of payment
(Authority: Education Code Section 41024)
- The expenditures are expended or encumbered prior to the time a project is deemed complete, pursuant to SFP Regulation Section 1859.104
(Authority: Education Code Section 17076.10)

The Grantee may seek written clarification from OPSC for items not included in the lists of eligible and ineligible project expenditures. The local auditor may use the written response from OPSC to guide the audit of the project expenditures.

*Project expenditures not listed in the following tables may be considered if those expenditures are reasonable and appropriate site development work pursuant to SFP Regulation Section 1859.76.

(Authority: SFP Regulation Section 1859.76)

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- 1. New Construction - Separate Apportionment for Design Costs
Or Adjusted Grant
Charter Schools Facilities Program - Separate Apportionment for Design Costs
Or Adjusted Grant
Small School District Program – Separate Apportionment for Design Costs
Or Adjusted Grant
Common Eligible Project Expenditures**

DESIGN COSTS		
	Type of Expenditure	Authority
a.	Advertising for Construction Bids	Ed. Code Section 17072.35
b.	Architect's Fee for Plans	
c.	CDE Plan Check or Site Review Fee	
d.	California Environmental Quality Act (CEQA) Associated Costs	SFP Reg. Section 1859.105
e.	Consultant Fees – specific to SFP project(s) (prorate if necessary)	Ed. Code Section 17072.35*
f.	Division of the State Architect (DSA) Plan Check Fee	Ed. Code Section 17072.35
g.	Energy Analysis Fee	Ed. Code Section 17072.35*
h.	Legal Fees associated with: <ul style="list-style-type: none"> • The review of the SFP project-related lease agreements. • The review of the SFP project-related contracts between districts and contractors, architects, construction managers or engineers. • The review of the SFP project-related bid documents and bid responses. 	
i.	Local Agency Plan Check Fees	Ed. Code Section 17072.35
j.	Preliminary Site Tests	
k.	Engineering Fees	

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<p>I.</p>	<p>Costs for design of a project that promote energy efficiency approaching the ultimate goal of school facility energy self-sufficiency and pollution reduction, which may include:</p> <ul style="list-style-type: none"> • Electric heating, ventilation, and air condition (HVAC), school kitchen equipment, and water heating. • The use of ground source temperatures for heating and cooling. Energy and water conservation, load reduction, peak-load shifting, and building energy efficiency measures • Solar water heating technologies. • Onsite renewable energy and storage, such as photovoltaics and battery storage, microgrid controllers, and service panel upgrades. • Shade structures and the conversion of ground and rooftop surfaces to materials with low absorption and reflection of heat, which may include, but are not limited to, natural surfaces. 	<p>Ed. Code Section 17077.35</p>
<p><u>m.</u></p>	<p><u>For the Small School District Program, services from a county office of education, other local educational agency with applicable school facilities construction expertise, applicable state department, or a certified private construction consulting entity from the list maintained pursuant to paragraph (2) of subdivision (d) of Section 17078.47, to assist with the planning, site acquisition, preconstruction, construction, and closeout of a project.</u></p>	<p><u>Ed. Code Section 17078.47</u></p>

*These costs are recognized as components of allowable costs pursuant to EC Section 17072.35, and may be included as allowable expenditures under the New Construction program.

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2. New Construction - Separate Apportionment for Site Acquisition Costs
Charter Schools Facilities Program - Separate Apportionment for Site Acquisition Costs
Small School District Program – Separate Apportionment for Site Acquisition Costs
Common Eligible Project Expenditures

	Type of Expenditure	Authority
Site Acquisition		
a.	Purchase Price of Property – provided site was not previously funded under Lease-Purchase Program or School Facility Program. Eligible purchase expenditure is the lesser of the appraised value (submitted within six months of a complete Form SAB 50-04) or actual site cost.	Ed. Code Sections 17072.12, 17072.35 & SFP Reg. Section 1859.74
Site (Other) (4 % Allowance)		
b.	Appraisal Fees	Ed. Code Section 17072.35 & SFP Reg. Sections 1859.74, 1859.74(2) or 1859.74(3), as appropriate
c.	Escrow Fees	
d.	Legal Fees associated with: <ul style="list-style-type: none"> • The review of site acquisition documents • Site condemnation or relocation proceedings. • The review of the SFP project-related lease agreements. 	
e.	Litigation costs not to exceed the total SFP project funding Apportionment.	
f.	Preparation of POESA and PEA when required by the Department of Toxic Substances Control.	
g.	Survey Costs	
DTSC Fees		

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	Type of Expenditure	Authority
h.	DTSC Phase One Environmental Site Assessment (POESA) fees, Preliminary Environmental/ Endangerment Assessment (PEA) fees, and Response Action costs paid to the Department of Toxic Substances Control.	Ed. Code Sections 17072.13 & 17072.35
Hazardous Waste Removal		
i.	CEQA expenditures as long as they are not for services rendered by district personnel.	Ed. Code Sections 17072.13 & 17072.35
j.	Hazardous waste removal costs - only when associated with a Department of Toxic Substances Control issued determination of a need for a Remedial Action Plan, Removal Action Work Plan or Supplemental Site Investigation Plan to address necessary cleanup. Including: <ul style="list-style-type: none"> Expenses for Remedial Action Plan and/or Removal Action Work Plan if acted upon. Expenses for public participation if Remedial Action Plan and/or Removal Action Work Plan acted upon. Expenses for Supplemental Site Investigation with a Remedial Action Plan and/or Removal Action Work Plan Expenses for Voluntary Cleanup Agreement and/or School Cleanup Agreement 	
Relocation Assistance		
k.	Relocation Assistance – as long as expenditures conform to Title 25, CCR, Section 6000. This includes expenditures for the following: <ul style="list-style-type: none"> Residential Tenant Occupant Moving expenses Rental Assistance – payment not to exceed \$5,250 Last Resort Housing 	Ed. Code Sections 17072.13, 17072.35 & CA Code of Reg., Title 25, Section 6000

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	Type of Expenditure	Authority
	<ul style="list-style-type: none"> • Residential Owner Occupant Moving expenses Replacement Housing – Not to exceed \$25,500 • Business • Moving expenses – In addition, a displaced business owner may file a claim for the following: The cost directly related to modifying machinery, equipment, or other personal property to adopt it to the new site. The cost of any license, permit, or certification to reestablish a business at a new location The reasonable cost of any professional services necessary for planning the move, moving the property, or installation of property at the replacement site. When an item is not moved but replaced with a comparable item, reimbursement shall be the lessor of replacement cost or estimated cost of moving by professional mover. <ul style="list-style-type: none"> • Losses of Tangible Personal Property • Searching for a Replacement Site • Re-establishment Expenses • In Lieu Payments - Any displaced person who moves or discontinues their business may elect to receive a fixed relocation payment “in lieu” of moving, losses of tangible property, searching, and reestablishment costs. 	

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**3. New Construction - Adjusted Grant
Charter Schools Facilities Program - Adjusted Grant
Small School District Program – Adjusted Grant
Common Eligible Project Expenditures**

CONSTRUCTION COSTS		
	Type of Expenditure	Authority
a.	Construction Management Fees	Ed. Code Section 17072.35
b.	Building Construction Costs – Including: <ul style="list-style-type: none"> • Foundations • Structures • Exterior & Interior Finishes • Fittings & Fixtures • Plumbing • Electrical • Mechanical • Shade Structures • Solar or Alternative Energy Source Components 	
c.	Construction Security (Campus Security and administrative overhead – not eligible)	Ed. Code Section 17072.35*
d.	Construction Tests	Ed. Code Section 17072.35
e.	Costs incurred to initiate, enforce and maintain a LCP, which may include school district “third party providers” costs, district’s own Force Account labor costs, or construction manager costs.	Labor Code Section 1771.1(a) & (b) & SFP Reg. Section 1859.79.2
f.	Force Account Labor – complies with the Public Contract Code and is specific to the project, adhering to the following criteria outlined in Section 20114: <ul style="list-style-type: none"> • For school districts with an average daily attendance less than 35,000, the total number of hours on the job does not exceed 350 hours • For school districts with an average daily attendance of 35,000 or greater, the total number of hours on the job does not 	PCC Section 20114

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CONSTRUCTION COSTS		
	Type of Expenditure	Authority
	<p>exceed 750 hours or when the cost of material does not exceed \$21,000.</p> <ul style="list-style-type: none"> • Must be work that involves a skilled trade. <p>To be eligible must be supported by time cards or time logs.</p>	
g.**	<p>General Site Development within school property lines (Including but not limited to):</p> <ul style="list-style-type: none"> • Finish Grading • Roads and Driveways • Sidewalks, stairs, & Ramps • Parking Area • Curbs and Gutters • Turfed/Paved Play Area • Playground Equipment • Surface Drains & Play Area • V-Gutters at Parking Lot • Landscaping & Irrigation System • Site Lighting • Fencing & Outdoor Walls 	SFP Reg. Section 1859.76(d)
h.	<p>Inspections – For services provided during construction of project.</p>	Ed. Code Section 17072.35
i.**	<p>Off-Site Development costs on up to two immediately adjacent sides of the site (see SFP Regulation Section 1859.76(b) for detail). Including:</p> <ul style="list-style-type: none"> • Curbs & Gutters • Sidewalks • Street Light, Planting Areas, Street Signs, Traffic Signals, Etc., Mandated by Local Ordinances • Special District Fees • Storm Drains to Point of Connection • Safety Paths 	SFP Reg. Section 1859.76(b)

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CONSTRUCTION COSTS		
	Type of Expenditure	Authority
j.**	<p>Service Site Development costs within school property lines (see SFP Regulation Section 1859.76(a) for detail). Including:</p> <ul style="list-style-type: none"> • Site Clearance • Demolition • Rerouting Utility Lines • Rough Grading • Soil Compaction • Storm Drains • Erosion Control • Outside Stairs & Retaining Walls • Relocation of Existing Portables • Fire Code Requirements • Multi-Level Parking 	<p>SFP Reg. Section 1859.76(a)</p>
k.**	<p>Utility Service costs associated with the CDE approved site size that are necessary to serve the master planned capacity of the site (see SFP Regulation Section 1859.76(c) for more information) as follows:</p> <ul style="list-style-type: none"> • Water • Sewage • Gas • Electric • Communication systems 	<p>SFP Reg. Section 1859.76(c)</p>
l.	<p>Furniture and Equipment that meet all of the criteria as described in Government Code Section 16727 and the California School Accounting Manual (CSAM), Procedure 770 as follows:</p> <ul style="list-style-type: none"> • Lasts more than two years. • It is typically repaired rather than replaced. • It is an independent unit (rather than being incorporated into another unit item). • The cost of tagging and inventory is a small percentage of the item cost. • Not operational or administrative costs. 	<p>Ed. Code Section 17072.35 & CSAM Procedure 770</p>

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CONSTRUCTION COSTS		
	Type of Expenditure	Authority
	<p>It exceeds the minimum dollar value of capitalization threshold established by the local educational agency, but in no case should the threshold be less than \$5,000. The following types of furniture and equipment are examples that would be eligible if they met the criteria for CSAM Procedure 770:</p> <ul style="list-style-type: none"> • Projectors • Smart Boards • Freezers • Refrigerators • Stoves • Exercise equipment – Only if available for use by all students 	
m.	<p>Furniture and Equipment:</p> <ul style="list-style-type: none"> • Desks • Chairs • Built-in Storage • Cabinets • Window Coverings • White/Chalk Boards • Library Books 	Ed. Code Section 17072.35
n.	Demolition Costs	Ed. Code Section 17072.35
o.	Interim Housing – only eligible if new construction additions are to an existing site where classrooms temporarily are inaccessible or unsafe to house students during construction.	Ed. Code Section 17072.35*
p.	Costs attributable to school-site based infrastructure to provide access to broadband internet within the schoolsite.	Ed. Code Section 17072.35*
q.	Costs of design, materials, and construction to advance state energy goals pursuant to state law, support outdoor learning environments or to directly shade and protect pupils from higher average temperatures, which may include incorporating nature and nature materials.	Ed. Code Section 17072.35*

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CONSTRUCTION COSTS		
	Type of Expenditure	Authority
r.	Seismic Mitigation Costs – the cost must be attributable to design, study, and testing.	Ed. Code Section 17072.35*
s.	Support for constructing the construction of a school kitchen, a transitional kindergarten classroom, a facility to support a local education agency-administered preschool program that is operated by a school district and located on a schoolsite operated by the district, or a facility to support school nurses and counselors to increase access to health care and mental health services.	Ed. Code Section 17072.35*
t.	<p>Costs for plan design and inclusion of project components that promote energy efficiency approaching the ultimate goal of school facility energy self-sufficiency and pollution reduction. Components may include:</p> <ul style="list-style-type: none"> • Electric heating, ventilation, and air condition (HVAC), school kitchen equipment, and water heating. • The use of ground source temperatures for heating and cooling. • Energy and water conservation, load reduction, peak-load shifting, and building energy efficiency measures. • Solar water heating technologies. • Onsite renewable energy and storage, such as photovoltaics and battery storage, microgrid controllers, and service panel upgrades. • Shade structures and the conversion of ground and rooftop surfaces to materials with low absorption and reflection of heat, which may include, but are not limited to, natural surfaces. 	Ed. Code Section 17077.35
<u>u.</u>	<u>Services from a county office of education, other local education agency with applicable school facilities construction experience, applicable state department, or a certified private construction consulting entity from the list maintained pursuant</u>	<u>Ed. Code Section 17078.47</u>

	<u>to paragraph (2) of subdivision (d) of Section 17078.47, to assist with the planning, site acquisition, preconstruction, construction, and closeout of a project.</u>	
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*These costs are recognized as components of allowable costs pursuant to EC Section 17072.35, and may be included as allowable expenditures under the New Construction program.

**Eligible expenditures in these sections may exceed the amounts requested on the Funding Application.

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4. Modernization - Separate Apportionment for Design Costs Or Adjusted Grant
Small School District Program – Separate Apportionment for Design Costs
Common Eligible Project Expenditures

DESIGN COSTS		
	Type of Expenditure	Authority
a.	Advertising for Construction Bids	Ed Code Section 17074.25
b.	Architect’s Fee for Plans	
c.	CDE Plan Check Fee	
d.	California Environmental Quality Act (CEQA) Associated Costs	SFP Reg. Section 1859.105
e.	Consultant Fees – specific to SFP project(s) (prorate if necessary)	Ed Code Section 17074.25*
f.	Division of the State Architect (DSA) Plan Check Fee	Ed Code Section 17074.25
g.	Energy Analysis Fee	Ed Code Section 17074.25*
h.	Legal Fees associated with: <ul style="list-style-type: none"> The review of the SFP project-related lease agreements. The review of the SFP project-related contracts between districts and contractors, architects, construction managers or engineers. The review of the SFP project-related bid documents and bid responses. 	
i.	Local Agency Plan Check Fees	
j.	Preliminary Site Tests	
k.	Engineering Fees	Ed Code Section 17074.25
l.	Costs for design of a project that promote energy efficiency approaching the ultimate goal of school facility energy self-sufficiency and pollution reduction, including: Costs for design of a project that promote energy efficiency approaching the ultimate goal of school facility energy self-sufficiency and pollution reduction, which may include: <ul style="list-style-type: none"> Electric heating, ventilation, and air condition (HVAC), school kitchen equipment, and water heating. 	Ed Code Section 17077.35

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DESIGN COSTS		
	Type of Expenditure	Authority
	<ul style="list-style-type: none"> • The use of ground source temperatures for heating and cooling. • Energy and water conservation, load reduction, peak-load shifting, and building energy efficiency measures. • Solar water heating technologies. • Onsite renewable energy and storage, such as photovoltaics and battery storage, microgrid controllers, and service panel upgrades. • Shade structures and the conversion of ground and rooftop surfaces to materials with low absorption and reflection of heat, which may include, but are not limited to, natural surfaces. 	
m.	<u>For the Small School District Program, services from a county office of education, other local educational agency with applicable school facilities construction expertise, applicable state department, or a certified private construction consulting entity from the list maintained pursuant to paragraph (2) of subdivision (d) of Section 17078.47, to assist with the planning, site acquisition, preconstruction, construction, and closeout of a project.</u>	<u>Ed. Code Section 17078.47</u>

*These costs are recognized as components of allowable costs pursuant to EC Section 17074.25, and may be included as allowable expenditures under the Modernization program.

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5. Modernization - Adjusted Grant
Small School District Program – Adjusted Grant
Common Eligible Project Expenditures

CONSTRUCTION COSTS		
	Type of Expenditure	Authority
a.	Construction Management Fees	Ed Code Section 17074.25
b.	Building Construction Costs – Including: <ul style="list-style-type: none"> • Foundations • Structures • Exterior & Interior Finishes • Fittings & Fixtures • Plumbing • Electrical • Mechanical • Shade Structures • Solar or Alternative Energy Source Components 	
c.	Construction Security (Campus Security not eligible and administrative overhead not eligible)	Ed Code Section 17074.25*
d.	Construction Tests	Ed Code Section 17074.25
e.	Costs incurred to initiate, enforce and maintain a LCP, which may include school district “third party providers” costs, district’s own Force Account labor costs, or construction manager costs.	Labor Code Section 1771.1(a) & (b) & SFP Reg. Section 1859.79.2
f.	Force Account Labor – complies with the Public Contract Code and is specific to the project, adhering to the following criteria outlined in Section 20114: <ul style="list-style-type: none"> • For school districts with an average daily attendance less than 35,000, the total number of hours on the job does not exceed 350 hours • For school districts with an average daily attendance of 35,000 or greater, the total number of hours on the job does not exceed 750 hours or when the cost of material does not exceed \$21,000. • Must be work that involves a skilled trade. 	PCC Section 20114

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CONSTRUCTION COSTS		
	Type of Expenditure	Authority
	To be eligible must be supported by time cards or time logs.	
g.	Inspections – For services provided during construction of the project.	Ed Code Section 17074.25
h.**	Utility Services – Only if approved for fifty years or older permanent building Modernization project (see SFP Regulation Section 1859.78.7).	Ed Code Section 17074.25 & SFP Reg. Section 1859.78.7
i.	<p>Furniture and Equipment that meet all of the criteria as described in the California School Accounting Manual (CSAM), Procedure 770 as follows:</p> <ul style="list-style-type: none"> • Lasts more than one year. • It is typically repaired rather than replaced. • It is an independent unit (rather than being incorporated into another unit item). • The cost of tagging and inventory is a small percentage of the item cost. • Not operational or administrative costs. <p>It exceeds the minimum dollar value of capitalization threshold established by the local educational agency. The following types of furniture and equipment are examples that would be eligible if they met the criteria for CSAM Procedure 770:</p> <ul style="list-style-type: none"> • Projectors • Smart Boards • Freezers • Refrigerators • Stoves • Exercise equipment – Only if available for use by all students 	Ed Code Section 17074.25 & CSAM Procedure 770
j.	<p>Furniture and Equipment:</p> <ul style="list-style-type: none"> • Desks 	Ed Code Section 17074.25

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CONSTRUCTION COSTS		
	Type of Expenditure	Authority
	<ul style="list-style-type: none"> • Chairs • Built-in Storage • Cabinets • White/Chalk Boards • Library Books 	
k.	Demolition Costs – the cost must be attributable to replacement of “like kind” building area (see SFP Regulation Section 1859.79.2(a)).	Ed Code Section 17074.25
l.	Interim Housing	Ed Code Section 17074.25*
m.	Removal of hazardous waste from a modernization project the DTSC has declared unsafe which does not exceed ten percent of the total modernization Apportionment.	SFP Reg. Section 1859.74.2(c)
n.	Expenditures for schoolsite-based infrastructure necessary to provide access to broadband internet within the schoolsite as an eligible expenditure for modernization grants.	Ed Code Section 17074.25*
o.	Costs of design, materials, and construction to advance state energy goals pursuant to state law, support outdoor learning environments or to directly shade and protect pupils from higher average temperatures, which may include incorporating nature and nature materials.	Ed Code Section 17074.25*
p.	Seismic Mitigation Costs – the cost must be attributable to design, study, and testing.	Ed Code Section 17074.25*
q.	Remediation of lead in any water outlet used for drinking or preparing food with lead levels in excess of 15 parts per billion.	Ed Code Section 17074.25*
r.	The control, management, or abatement of lead, including but not limited to lead based paint and/or soil contamination.	Ed Code Section 17074.25*

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CONSTRUCTION COSTS		
	Type of Expenditure	Authority
s.	Support for expanding an existing, or constructing a new, gymnasium, multipurpose room, library, or school kitchen.	Ed Code Section 17074.25*
t.	Costs associated with the modernization of a school kitchen, a transitional kindergarten classroom, a facility to support a local education agency-administered preschool program, including but not limited to, a California state preschool program that is operated by a school district and located on a schoolsite operated by the district, or a facility to support school nurses and counselors to increase access to health care and mental health services.	Ed Code Section 17074.25*
u.	Districts apportioned funds pursuant to Section 17073.16(a) shall use the supplemental grant for expanding an existing, or constructing a new gymnasium, multipurpose room, library, or school kitchen.	Ed Code Section 17073.16(a)
v.	Districts apportioned funds pursuant to Section 17073.16(b) shall use the supplemental grant for retrofitting an existing facility or constructing new classrooms to house transitional kindergarten pupils.	Ed Code Section 17073.16(b)
w.	<p>Costs for plan design and inclusion of project components that promote energy efficiency approaching the ultimate goal of school facility energy self-sufficiency and pollution reduction. Components may include:</p> <ul style="list-style-type: none"> • Electric heating, ventilation, and air condition (HVAC), school kitchen equipment, and water heating. • The use of ground source temperatures for heating and cooling. • Energy and water conservation, load reduction, peak-load shifting, and building energy efficiency measures. • Solar water heating technologies. • Onsite renewable energy and storage, such as 	Ed. Code Section 17077.35

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CONSTRUCTION COSTS		
	Type of Expenditure	Authority
	photovoltaics and battery storage, microgrid controllers, and service panel upgrades. <ul style="list-style-type: none"> Shade structures and the conversion of ground and rooftop surfaces to materials with low absorption and reflection of heat, which may include, but are not limited to, natural surfaces. 	
x.	<u>Services from a county office of education, other local educational agency with applicable school facilities construction expertise, applicable state department, or a certified private construction consulting entity from the list maintained pursuant to paragraph (2) of subdivision (d) of Section 17078.47, to assist with the planning, site acquisition, preconstruction, construction, and closeout of a project.</u>	<u>Ed. Code Section 17078.47</u>

*These costs are recognized as components of allowable costs pursuant to EC Section 17074.25, and may be included as allowable expenditures under the Modernization program.

**Eligible expenditures in these sections may exceed the amounts requested on the Funding Application.

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**6. Career Technical Education Facilities Program - New Construction
Common Eligible Project Expenditures**

To be considered eligible, a cost must be part of the detailed project cost estimate approved by Office of Public School Construction.

PLANNING COSTS		
	Type of Expenditure	Authority
a.	Advertising for Construction Bids	Ed Code Section 17078.72(a) & SFP Reg. Section 1859.193(a)&(b)
b.	Architect's Fee for Plans	
c.	CDE Plan Check Fee	
d.	California Environmental Quality Act (CEQA) Associated Costs	Ed Code Section 17078.72(a) & SFP Reg. Section 1859.193(a)&(b)
e.	Consultant Fees – specific to SFP project (prorate if necessary)	
f.	Division of the State Architect (DSA) Plan Check Fee	Ed Code Section 17078.72(a) & SFP Reg. Section 1859.193(a)&(b)
g.	Energy Analysis Fee	Ed Code Section 17078.72(a) & SFP Reg. Section 1859.193(a)&(b)
h.	Legal Fees associated with: <ul style="list-style-type: none"> The review of the SFP project-related lease agreements. The review of the SFP project-related contracts between districts and contractors, architects, construction managers or engineers. The review of the SFP project-related bid documents and bid responses. 	
i.	Local Agency Plan Check Fees	Ed Code Section 17078.72(a) & SFP Reg. Section 1859.193(a)&(b)
j.	Preliminary Site Tests	

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ENGINEERING COSTS		
Type of Expenditure		Authority
k.	Engineering Fees	Ed Code Section 17078.72(a) & SFP Reg. Section 1859.193(a)&(b)
l.	Construction Management Fees	Ed Code Section 17078.72 & SFP Reg. Section 1859.193(a)&(b)
m.	Building Construction Costs	
n.	Construction Security (Campus Security not eligible and administrative overhead – not eligible)	
o.	Construction Tests	
p.	Costs incurred to initiate, enforce and maintain a LCP, which may include school district “third party providers” costs, district’s own Force Account labor costs, or construction manager costs.	Labor Code Section 1771.1(a) & (b) & SFP Reg. Section 1859.193(a)(4) & (b)(5)
q.	Energy Conservation Costs	Ed Code Section 17078.72(a)
r.	<p>Force Account Labor – complies with the Public Contract Code and is specific to the project, adhering to the following criteria outlined in Section 20114:</p> <ul style="list-style-type: none"> • For school districts with an average daily attendance less than 35,000, the total number of hours on the job does not exceed 350 hours • For school districts with an average daily attendance of 35,000 or greater, the total number of hours on the job does not exceed 750 hours or when the cost of material does not exceed \$21,000. • Must be work that involves a skilled trade. <p>To be eligible must be supported by time cards or time logs.</p>	PCC Section 20114

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s.**	<p>General Site Development (<i>Not allowed as part of Career Technical Educational Facilities Project included in a New Construction Grant</i>) within school property lines (Including but not limited to):</p> <ul style="list-style-type: none"> • Finish Grading • Roads and Driveways • Sidewalks, stairs, & Ramps • Parking Area • Curbs and Gutters • Turfed/Paved Play Area • Playground Equipment • Surface Drains & Play Area • V-Gutters at Parking Lot • Landscaping & Irrigation System • Site Lighting • Fencing & Outdoor Walls 	
t.	Inspections	
u.**	<p>Off-Site Development costs on up to two immediately adjacent sides of the site (<i>Not allowed as part of Career Technical Educational Facilities Project included in a New Construction Grant</i>) (see SFP Regulation Section 1859.76(b) for detail). Including:</p> <ul style="list-style-type: none"> • Curbs & Gutters • Sidewalks • Street Light, Planting Areas, Street Signs, Traffic Signals, Etc., Mandated by Local Ordinances • Special District Fees • Storm Drains to Point of Connection • Safety Paths 	Ed Code Section 17078.72 & SFP Reg. Section 1859.193(a)&(b)
v.**	<p>Service Site Development (<i>Not allowed as part of Career Technical Educational Facilities Project included in a New Construction Grant</i>) costs within school property lines (see SFP Regulation Section 1859.76(a) for detail). Including:</p> <ul style="list-style-type: none"> • Site Clearance • Demolition • Rerouting Utility Lines 	SFP Reg. Section 1859.193(a)&(b)(3)

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	<ul style="list-style-type: none"> • Rough Grading • Soil Compaction • Storm Drains • Erosion Control • Outside Stairs & Retaining Walls • Relocation of Existing Portables • Fire Code Requirements • Multi-Level Parking 	
w.**	<p>Utility Service costs associated with the CDE approved site size that are necessary to serve the master planned capacity of the site – Prorated, if necessary for any excess capacity not needed by a Career Technical Education Facilities Program project <i>(Not allowed as part of Career Technical Educational Facilities Project included in a New Construction Grant)</i> (see SFP Regulation Section 1859.76(c) for more information) as follows:</p> <ul style="list-style-type: none"> • Water • Sewage • Gas • Electric • Communication systems 	SFP Reg. Section 1859.193(a)&(b)(4)
x.	<p>Equipment expenditures for Career Technical Education Facilities Program projects – as approved by the California Department of Education (CDE). The CDE approved equipment list must be submitted with the application for funding and later approved by the SAB. Equipment must also have an average life expectancy of at least 10 years.</p>	Approved by CDE & Ed Code Section 17078.72(a)

**Eligible expenditures in these sections may exceed the amounts requested on the Funding Application.

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**7. Career Technical Education Facilities Program - Modernization
Common Eligible Project Expenditures**

To be considered eligible, a cost must be part of the detailed project cost estimate approved by the Office of Public School Construction.

	Type of Expenditure	Authority
a.	Advertising for Construction Bids	Ed Code Section 17078.72(a) & SFP Reg. Section 1859.193(c)
b.	Architect's Fee for Plans	
c.	CDE Plan Check Fee	
d.	California Environmental Quality Act (CEQA) Associated Costs	Ed Code Section 17078.72(a) & SFP Reg. Section 1859.193(c)
e.	Consultant Fees – specific to SFP project (prorate if necessary)	Ed Code Section 17078.72(a) & SFP Reg. Section 1859.193(c)
f.	Division of the State Architect (DSA) Plan Check Fee	Ed Code Section 17078.72(a) & SFP Reg. Section 1859.193(c)
g.	Energy Analysis Fee	Ed Code Section 17078.72(a) & SFP Reg. Section 1859.193(c)
h.	Legal Fees associated with: <ul style="list-style-type: none"> • The review of the SFP project-related lease agreements. • The review of the SFP project-related contracts between districts and contractors, architects, construction managers or engineers. • The review of the SFP project-related bid documents and bid responses. 	
i.	Local Agency Plan Check Fees	
j.	Preliminary Site Tests	
k.	Engineering Fees	Ed Code Section 17078.72(a) & SFP Reg. Section 1859.193(c)
l.	Construction Management Fees	
m.	Building Construction Costs	
n.	Construction Security (Campus Security not eligible and administrative overhead – not eligible)	Ed Code Section 17078.72(a) &

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	Type of Expenditure	Authority
		SFP Reg. Section 1859.193(c)
o.	Construction Tests	Ed Code Section 17078.72(a) & SFP Reg. Section 1859.193(c)
p.	Costs incurred to initiate, enforce and maintain a LCP, which may include school district “third party providers” costs, district’s own Force Account labor costs, or construction manager costs.	Labor Code Section 1771.1(a) & (b) & SFP Reg. Section 1859.193(c)(5)
q.	Energy Conservation Costs	Ed Code Section 17078.72(a) & SFP Reg. Section 1859.193(c)
r.	<p>Force Account Labor – complies with the Public Contract Code and is specific to the project, adhering to the following criteria outlined in Section 20114:</p> <ul style="list-style-type: none"> • For school districts with an average daily attendance less than 35,000, the total number of hours on the job does not exceed 350 hours • For school districts with an average daily attendance of 35,000 or greater, the total number of hours on the job does not exceed 750 hours or when the cost of material does not exceed \$21,000. • Must be work that involves a skilled trade. <p>To be eligible must be supported by time cards or time logs.</p>	PCC Section 20114
s.**	<p>General Site Development within school property lines (Including but not limited to):</p> <ul style="list-style-type: none"> • Finish Grading • Roads and Driveways • Sidewalks, stairs, & Ramps • Parking Area • Curbs and Gutters 	Ed Code Section 17078.72(a) & SFP Reg. Section 1859.193(c)

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	Type of Expenditure	Authority
	<ul style="list-style-type: none"> • Turfed/Paved Play Area • Playground Equipment • Surface Drains & Play Area • V-Gutters at Parking Lot • Landscaping & Irrigation System • Site Lighting • Fencing & Outdoor Walls 	
t.	Inspections	
u.**	<p>Off-Site Development costs on up to two immediately adjacent sides of the site (see SFP Regulation Section 1859.76(b) for detail). Including:</p> <ul style="list-style-type: none"> • Curbs & Gutters • Sidewalks • Street Light, Planting Areas, Street Signs, Traffic Signals, Etc., Mandated by Local Ordinances • Special District Fees • Storm Drains to Point of Connection • Safety Paths 	Ed Code Section 17078.72(a) & SFP Reg. Section 1859.193(c)
v.**	<p>Service Site Development costs within school property lines (see SFP Regulation Section 1859.76(a) for detail). Including:</p> <ul style="list-style-type: none"> • Site Clearance • Demolition • Rerouting Utility Lines • Rough Grading • Soil Compaction • Storm Drains • Erosion Control • Outside Stairs & Retaining Walls • Relocation of Existing Portables • Fire Code Requirements • Multi-Level Parking 	
w.**	Utility Service costs associated with the CDE approved site size that are necessary to serve the master planned capacity of the site – Prorated, if necessary for any excess capacity not needed by	SFP Reg. Section 1859.193(c)(4)

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	Type of Expenditure	Authority
	Career Technical Education Facilities Program project (see SFP Regulation Section 1859.76(c) for more information) as follows: <ul style="list-style-type: none"> • Water • Sewage • Gas • Electric • Communication systems 	
x.	Equipment expenditures for Career Technical Education Facilities Program projects – Equipment must have been approved by the California Department of Education (CDE). The CDE approved equipment list must be submitted with the application for funding and later approved by the SAB. Equipment must also have an average life expectancy of at least 10 years.	Approved by CDE & Ed Code Section 17078.72(a)

**Eligible expenditures in these sections may exceed the amounts requested on the Funding Application.

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**8. Facility Hardship (Non-Seismic) - Replacement
Separate Apportionment for Design Costs
Or Adjusted Grant
Common Eligible Project Expenditures**

Facility Hardship expenditures must be an eligible SFP expenditure to be considered allowable.

Only the minimum work necessary as indicated in the project's industry specialist report, to mitigate the health and safety issue is eligible. This also includes any other work triggered by the health and safety mitigation work that is required in order to obtain DSA approval, such as required fire and life safety or access compliance work.

Elective work or upgrades outside of the required scope of work done by the District are not eligible for funding.

DESIGN COSTS		
	Type of Expenditure	Authority
a.	Advertising for Construction Bids	Ed. Code Section 17072.35 & SFP Reg. Section 1859.82
b.	Architect's Fee for Plans	
c.	CDE Plan Check or Site Review Fee	
d.	California Environmental Quality Act (CEQA) Associated Costs	SFP Reg. Sections 1859.105 & 1859.82
e.	Consultant Fees – specific to SFP project(s) (prorate if necessary)	Ed. Code Section 17072.35* & SFP Reg. Section 1859.82
f.	Division of the State Architect (DSA) Plan Check Fee	Ed. Code Section 17072.35 & SFP Reg. Section 1859.82
g.	Energy Analysis Fee	Ed. Code Section 17072.35* & SFP Reg. Section 1859.82
h.	Legal Fees associated with: <ul style="list-style-type: none"> • The review of the SFP project-related lease agreements. • The review of the SFP project-related contracts between districts and contractors, architects, construction managers or engineers. 	

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DESIGN COSTS		
	Type of Expenditure	Authority
	<ul style="list-style-type: none"> The review of the SFP project-related bid documents and bid responses. 	
i.	Local Agency Plan Check Fees	Ed. Code Section 17072.35 & SFP Reg. Section 1859.82
j.	Preliminary Site Tests	
k.	Engineering Fees	

*These costs are recognized as components of allowable costs pursuant to EC Section 17072.35, and may be included as allowable expenditures under the New Construction program.

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**9. Facility Hardship (Non-Seismic) – Replacement
Separate Apportionment for Site Acquisition Costs
Common Eligible Project Expenditures**

Facility Hardship expenditures must be an eligible SFP expenditure to be considered allowable.

Only the minimum work necessary as indicated in the project’s industry specialist report, to mitigate the health and safety issue is eligible. This also includes any other work triggered by the health and safety mitigation work that is required in order to obtain DSA approval, such as required fire and life safety or access compliance work.

Elective work or upgrades outside of the required scope of work done by the District are not eligible for funding.

	Type of Expenditure	Authority
Site Acquisition		
a.	Purchase Price of Property – provided site was not previously funded under Lease-Purchase Program or School Facility Program. Eligible purchase expenditure is the lesser of the appraised value (submitted within six months of a complete Form SAB 50-04) or actual purchase price.	Ed. Code Section 17072.12, 17072.35 & SFP Reg. Sections 1859.74 & 1859.82
Site (Other) (4 % Allowance)		
b.	Appraisal Fees	Ed. Code Section 17072.35 & SFP Sections 1859.74, 1859.74(2), or 1859.74(3), as appropriate & 1859.82
c.	Escrow Fees	
d.	CDE Site Review Costs	
e.	Legal Fees associated with: <ul style="list-style-type: none"> • The review of site acquisition documents. • Site condemnation or relocation proceedings. • The review of the SFP project-related lease agreements. 	
f.	Litigation costs not to exceed the total SFP project funding apportionment.	

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	Type of Expenditure	Authority
g.	Preparation of POESA and PEA when required by the Department of Toxic Substances Control.	
h.	Survey Costs	
DTSC Fees		
i.	DTSC Phase One Environmental Site Assessment (POESA) fees, Preliminary Environmental/ Endangerment Assessment (PEA) fees, and Response Action costs paid to the Department of Toxic Substances Control.	Ed. Code Sections 17072.13 & 17072.35 & SFP Reg. Section 1859.82
Hazardous Waste Removal		
j.	CEQA expenditures as long as they are not for services rendered by district personnel.	Ed. Code Sections 17072.13 & 17072.35 & SFP Reg. Section 1859.82
k.	Hazardous waste removal costs - only when associated with a Department of Toxic Substances Control issued determination of a need for a Remedial Action Plan, Removal Action Work Plan or Supplemental Site Investigation Plan to address necessary cleanup. Including: <ul style="list-style-type: none"> • Expenses for Remedial Action Plan and/or Removal Action Work Plan if acted upon. • Expenses for public participation if Remedial Action Plan and/or Removal Action Work Plan acted upon. • Expenses for Supplemental Site Investigation with a Remedial Action Plan and/or Removal Action Work Plan • Expenses for Voluntary Cleanup Agreement and/or School Cleanup Agreement 	

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	Type of Expenditure	Authority
Relocation Assistance		
I.	<p>Relocation Assistance – as long as expenditures conform to Title 25, CCR, Section 6000. This includes expenditures for the following:</p> <ul style="list-style-type: none"> • Residential Tenant Occupant <ul style="list-style-type: none"> Moving expenses Rental Assistance – payment not to exceed \$5,250 Last Resort Housing • Residential Owner Occupant <ul style="list-style-type: none"> Moving expenses Replacement Housing – Not to exceed \$25,500 • Business <ul style="list-style-type: none"> Moving expenses – In addition, a displaced business owner may file a claim for the following: <ul style="list-style-type: none"> The cost directly related to modifying machinery, equipment, or other personal property to adopt it to the new site. The cost of any license, permit, or certification to reestablish a business at a new location The reasonable cost of any professional services necessary for planning the move, moving the 	<p style="text-align: center;">Ed. Code Section(s) 17072.13, 17072.35 & CA Code of Reg., Title 25, Section 6000 & SFP Reg. Section 1859.82</p>

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	Type of Expenditure	Authority
	<p>property, or installation of property at the replacement site</p> <p>When an item is not moved but replaced with a comparable item, reimbursement shall be the lesser of replacement cost or estimated cost of moving by professional mover.</p> <ul style="list-style-type: none"> • Losses of Tangible Personal Property • Searching for a Replacement Site • Re-establishment Expenses • In Lieu Payments - Any displaced person who moves or discontinues their business may elect to receive a fixed relocation payment "in lieu" of moving, losses of tangible property, searching, and reestablishment costs. 	

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**10. Facility Hardship (Non-Seismic) - Replacement
Adjusted Grant
Common Eligible Project Expenditures**

Facility Hardship expenditures must be an eligible SFP expenditure to be considered allowable.

Only the minimum work necessary as indicated in the project’s industry specialist report, to mitigate the health and safety issue is eligible. This also includes any other work triggered by the health and safety mitigation work that is required in order to obtain DSA approval, such as required fire and life safety or access compliance work.

Elective work or upgrades outside of the required scope of work done by the District are not eligible for funding.

CONSTRUCTION COSTS		
	Type of Expenditure	Authority
a.	Construction Management Fees	
b.	Building Construction Costs – Including: <ul style="list-style-type: none"> • Foundations • Structures • Exterior & Interior Finishes • Fittings & Fixtures • Plumbing • Electrical • Mechanical 	Ed. Code Section 17072.35 & SFP Reg. Section 1859.82
c.	Construction Security (Campus Security and administrative overhead – not eligible)	Ed. Code Section 17072.35* & SFP Reg. Section 1859.82
d.	Construction Tests	Ed. Code Section 17072.35 & SFP Reg. Section 1859.82
e.	Costs incurred to initiate, enforce and maintain a LCP, which may include school district “third party providers” costs, district’s own Force Account labor costs, or construction manager costs.	Labor Code Section 1771.1(a) & (b) & SFP Reg. Section 1859.79.2 & 1859.82

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CONSTRUCTION COSTS		
	Type of Expenditure	Authority
f.	<p>Force Account Labor – complies with the Public Contract Code and is specific to the project, adhering to the following criteria outlined in Section 20114:</p> <ul style="list-style-type: none"> • For school districts with an average daily attendance less than 35,000, the total number of hours on the job does not exceed 350 hours • For school districts with an average daily attendance of 35,000 or greater, the total number of hours on the job does not exceed 750 hours or when the cost of material does not exceed \$21,000. • Must be work that involves a skilled trade. <p>To be eligible must be supported by time cards or time logs.</p>	<p>PCC Section 20114 & SFP Reg. Section 1859.82</p>
g.**	<p>General Site Development within school property lines (Including but not limited to):</p> <ul style="list-style-type: none"> • Finish Grading • Roads and Driveways • Sidewalks, stairs, & Ramps • Parking Area • Curbs and Gutters • Turfed/Paved Play Area • Playground Equipment • Surface Drains & Play Area • V-Gutters at Parking Lot • Landscaping & Irrigation System • Site Lighting • Fencing & Outdoor Walls 	<p>SFP Reg. Section 1859.76(d) & 1859.82</p>
h.	<p>Inspections – For services provided during construction of project.</p>	<p>Ed. Code Section 17072.35 & SFP Reg. Section 1859.82</p>

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CONSTRUCTION COSTS		
	Type of Expenditure	Authority
i.**	<p>Off-Site Development costs on up to two immediately adjacent sides of the site (see SFP Regulation Section 1859.76(b) for detail). Including:</p> <ul style="list-style-type: none"> • Curbs & Gutters • Sidewalks • Street Light, Planting Areas, Street Signs, Traffic Signals, Etc., Mandated by Local Ordinances • Special District Fees • Storm Drains to Point of Connection • Safety Paths 	<p>SFP Reg. Section 1859.76(b) & 1859.82</p>
j.**	<p>Service Site Development costs within school property lines (see SFP Regulation Section 1859.76(a) for detail). Including:</p> <ul style="list-style-type: none"> • Site Clearance • Demolition • Rerouting Utility Lines • Rough Grading • Soil Compaction • Storm Drains • Erosion Control • Outside Stairs & Retaining Walls • Relocation of Existing Portables • Fire Code Requirements • Multi-Level Parking 	<p>SFP Reg. Section 1859.76(a) & 1859.82</p>
k.**	<p>Utility Service costs associated with the CDE approved site size that are necessary to serve the master planned capacity of the site (see SFP Regulation Section 1859.76(c) for more information) as follows:</p> <ul style="list-style-type: none"> • Water • Sewage • Gas 	<p>SFP Reg. Section 1859.76(c) & 1859.82</p>

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CONSTRUCTION COSTS		
	Type of Expenditure	Authority
	<ul style="list-style-type: none"> • Electric • Communication systems 	
i.	<p>Furniture and Equipment that meet all of the criteria as described in the California School Accounting Manual (CSAM), Procedure 770 as follows:</p> <ul style="list-style-type: none"> • Lasts more than one year. • It is typically repaired rather than replaced. • It is an independent unit (rather than being incorporated into another unit item). • The cost of tagging and inventory is a small percentage of the item cost. • It exceeds the minimum dollar value of capitalization threshold established by the local educational agency. The following types of furniture and equipment are examples that would be eligible if they met the criteria for CSAM Procedure 770: <ul style="list-style-type: none"> • Projectors • Smart Boards • Freezers • Refrigerators • Stoves • Exercise equipment – Only if available for use by all students 	<p>Ed. Code Section 17072.35 & CSAM Procedure 770 & SFP Reg. Section 1859.82</p>
m.	<p>Furniture and Equipment:</p> <ul style="list-style-type: none"> • Desks • Chairs • Built-in Storage • Cabinets • Window Coverings • White/Chalk Boards • Library Books 	<p>Ed. Code Section 17072.35 & SFP Reg. Section 1859.82</p>
n.	Demolition Costs	Ed. Code Section 17072.35 & SFP

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CONSTRUCTION COSTS		
	Type of Expenditure	Authority
		Reg. Section 1859.82
o.	Interim Housing – only eligible if new construction additions are to an existing site where classrooms temporarily are inaccessible or unsafe to house students during construction.	Ed. Code Section 17072.35* & SFP Reg. Section 1859.82

*These costs are recognized as components of allowable costs pursuant to EC Section 17072.35, and may be included as allowable expenditures under the New Construction program.

**Eligible expenditures in these sections may exceed the amounts requested on the Funding Application.

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**11. Facility Hardship (Non-Seismic) - Rehabilitation
Separate Apportionment for Design Costs
Or Adjusted Grant
Common Eligible Project Expenditures**

Facility Hardship expenditures must be an eligible SFP expenditure to be considered allowable.

Only the minimum work necessary as indicated in the project’s industry specialist report, to mitigate the health and safety issue is eligible. This also includes any other work triggered by the health and safety mitigation work that is required in order to obtain DSA approval, such as required fire and life safety or access compliance work.

Elective work or upgrades outside of the required scope of work done by the District are not eligible for funding.

DESIGN COSTS		
	Type of Expenditure	Authority
a.	Advertising for Construction Bids	Ed Code Section 17074.25 & SFP Reg. Section 1859.82
b.	Architect’s Fee for Plans	
c.	CDE Plan Check or Site Review Fee	
d.	California Environmental Quality Act (CEQA) Associated Costs	SFP Regulation Sections 1859.105 &1859.82
e.	Consultant Fees – specific to SFP project(s) (prorate if necessary)	Ed Code Section 17074.25* & SFP Reg. Section 1859.82
f.	Division of the State Architect (DSA) Plan Check Fee	Ed Code Section 17074.25 & SFP Reg. Section 1859.82
g.	Energy Analysis Fee	Ed Code Section 17074.25* & SFP Reg. Section 1859.82
h.	Legal Fees associated with: <ul style="list-style-type: none"> • The review of the SFP project-related lease agreements. • The review of the SFP project-related contracts between districts and contractors, 	

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DESIGN COSTS		
	Type of Expenditure	Authority
	architects, construction managers or engineers. • The review of the SFP project-related bid documents and bid responses.	
i.	Local Agency Plan Check Fees	Ed Code Section 17074.25 & SFP Reg. Section 1859.82
j.	Preliminary Site Tests	
k.	Engineering Fees	

*These costs are recognized as components of allowable costs pursuant to EC Section 17074.25, and may be included as allowable expenditures under the Modernization program.

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**12. Facility Hardship (Non-Seismic) - Rehabilitation
Adjusted Grant
Common Eligible Project Expenditures**

Facility Hardship expenditures must be an eligible SFP expenditure to be considered allowable.

Only the minimum work necessary as indicated in the project’s industry specialist report, to mitigate the health and safety issue is eligible. This also includes any other work triggered by the health and safety mitigation work that is required in order to obtain DSA approval, such as required fire and life safety or access compliance work.

Elective work or upgrades outside of the required scope of work done by the District are not eligible for funding.

CONSTRUCTION COSTS		
	Type of Expenditure	Authority
a.	Construction Management Fees	Ed Code Section 17074.25 & SFP Reg. Section 1859.82
b.	Building Construction Costs – Including: <ul style="list-style-type: none"> • Foundations • Structures • Exterior & Interior Finishes • Fittings & Fixtures • Plumbing • Electrical • Mechanical 	
c.	Construction Security (Campus Security not eligible and administrative overhead not eligible)	Ed Code Section 17074.25* & SFP Reg. Section 1859.82
d.	Construction Tests	Ed Code Section 17074.25 & SFP Reg. Section 1859.82
e.	Costs incurred to initiate, enforce and maintain a LCP, which may include school district “third party providers” costs, district’s own Force Account labor costs, or construction manager costs.	Labor Code Section 1771.1(a) & (b) & SFP Reg. Section 1859.79.2 & 1859.82

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CONSTRUCTION COSTS		
	Type of Expenditure	Authority
f.	<p>Force Account Labor – complies with the Public Contract Code and is specific to the project, adhering to the following criteria outlined in Section 20114:</p> <ul style="list-style-type: none"> • For school districts with an average daily attendance less than 35,000, the total number of hours on the job does not exceed 350 hours • For school districts with an average daily attendance of 35,000 or greater, the total number of hours on the job does not exceed 750 hours or when the cost of material does not exceed \$21,000. • Must be work that involves a skilled trade. <p>To be eligible must be supported by time cards or time logs.</p>	<p>PCC Section 20114 & SFP Reg. Section 1859.82</p>
g.	<p>Inspections – For services provided during construction of the project.</p>	<p>Ed Code Section 17074.25 & SFP Reg. Section 1859.82</p>
h.**	<p>Utility Services – Only if approved for 50 years or older permanent building Modernization project (see SFP Regulation Section 1859.78.7).</p>	<p>Ed Code Section 17074.25 & SFP Reg. Sections 1859.78.7 & 1859.82</p>
i.	<p>Demolition Costs</p>	<p>Ed Code Section 17074.25 & SFP Reg. Section 1859.82</p>
j.	<p>Interim Housing</p>	<p>Ed Code Section 17074.25* & SFP Reg. Section 1859.82</p>

*These costs are recognized as components of allowable costs pursuant to EC Section 17074.25, and may be included as allowable expenditures under the Modernization program.

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**Eligible expenditures in these sections may exceed the amounts requested on the Funding Application.

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**13. Facility Hardship (Seismic) – Replacement
Separate Apportionment for Design Costs
Or Adjusted Grant
Common Eligible Project Expenditures**

Facility Hardship expenditures must be an eligible SFP expenditure to be considered allowable.

Only the minimum work necessary as indicated in the project’s industry specialist report, to mitigate the health and safety issue is eligible. This also includes any other work triggered by the health and safety mitigation work that is required in order to obtain DSA approval, such as required fire and life safety or access compliance work.

Elective work or upgrades outside of the required scope of work done by the District are not eligible for funding.

Construction contract must be executed on or after May 20, 2006.

DESIGN COSTS		
	Type of Expenditure	Authority
a.	Advertising for Construction Bids	Ed. Code Section 17072.35 & SFP Reg. Section 1859.82
b.	Architect’s Fee for Plans	
c.	CDE Plan Check or Site Review Fee	
d.	California Environmental Quality Act (CEQA) Associated Costs	SFP Reg. Section 1859.105 & 1859.82
e.	Consultant Fees – specific to SFP project(s) (prorate if necessary)	Ed. Code Section 17072.35* & SFP Reg. Section 1859.82
f.	Division of the State Architect (DSA) Plan Check Fee	Ed. Code Section 17072.35 & SFP Reg. Section 1859.82
g.	Energy Analysis Fee	Ed. Code Section 17072.35* & SFP Reg. Section 1859.82
h.	Legal Fees associated with: <ul style="list-style-type: none"> • The review of the SFP project-related lease agreements. • The review of the SFP project-related contracts between districts and contractors, 	

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DESIGN COSTS		
	Type of Expenditure	Authority
	architects, construction managers or engineers. • The review of the SFP project-related bid documents and bid responses.	
i.	Local Agency Plan Check Fees	Ed. Code Section 17072.35 & SFP Reg. Section 1859.82
j.	Preliminary Site Tests	
k.	Engineering Fees	

*These costs are recognized as components of allowable costs pursuant to EC Section 17072.35, and may be included as allowable expenditures under the New Construction program.

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**14. Facility Hardship (Seismic) – Replacement
Separate Apportionment for Site Acquisition Costs
Common Eligible Project Expenditures**

Facility Hardship expenditures must be an eligible SFP expenditure to be considered allowable.

Only the minimum work necessary as indicated in the project’s industry specialist report, to mitigate the health and safety issue is eligible. This also includes any other work triggered by the health and safety mitigation work that is required in order to obtain DSA approval, such as required fire and life safety or access compliance work.

Elective work or upgrades outside of the required scope of work done by the District are not eligible for funding.

Construction contract must be executed on or after May 20, 2006

	Type of Expenditure	Authority
Site Acquisition		
a.	Purchase Price of Property – provided site was not previously funded under Lease-Purchase Program or School Facility Program. Eligible purchase expenditure is the lesser of the appraised value (submitted within six months of a complete Form SAB 50-04) or actual purchase price.	Ed. Code Section 17072.12, 17072.35 & SFP Reg. Sections 1859.74 & 1859.82
Site (Other) (4 % Allowance)		
b.	Appraisal Fees	Ed. Code Section 17072.35 & SFP Sections 1859.74, 1859.74(2), or 1859.74(3), as appropriate & 1859.82
c.	Escrow Fees	
d.	Legal Fees associated with: <ul style="list-style-type: none"> • The review of site acquisition documents. • Site condemnation or relocation proceedings. • The review of the SFP project-related lease agreements. 	
e.	Litigation costs not to exceed the total SFP project funding apportionment.	

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	Type of Expenditure	Authority
f.	Preparation of POESA and PEA when required by the Department of Toxic Substances Control.	
g.	Survey Costs	
DTSC Fees		
h.	DTSC Phase One Environmental Site Assessment (POESA) fees, Preliminary Environmental/ Endangerment Assessment (PEA) fees, and Response Action costs paid to the Department of Toxic Substances Control.	Ed. Code Sections 17072.13 & 17072.35 & SFP Reg. Section 1859.82
Hazardous Waste Removal		
i.	CEQA expenditures as long as they are not for services rendered by district personnel.	Ed. Code Sections 17072.13 & 17072.35 & SFP Reg. Section 1859.82
j.	Hazardous waste removal costs - only when associated with a Department of Toxic Substances Control issued determination of a need for a Remedial Action Plan, Removal Action Work Plan or Supplemental Site Investigation Plan to address necessary cleanup. Including: <ul style="list-style-type: none"> • Expenses for Remedial Action Plan and/or Removal Action Work Plan if acted upon. • Expenses for public participation if Remedial Action Plan and/or Removal Action Work Plan acted upon. • Expenses for Supplemental Site Investigation with a Remedial Action Plan and/or Removal Action Work Plan • Expenses for Voluntary Cleanup Agreement and/or School Cleanup Agreement 	

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	Type of Expenditure	Authority
Relocation Assistance		
k.	<p>Relocation Assistance – as long as expenditures conform to Title 25, CCR, Section 6000 . This includes expenditures for the following:</p> <ul style="list-style-type: none"> • Residential Tenant Occupant Moving expenses Rental Assistance – payment not to exceed \$5,250 Last Resort Housing • Residential Owner Occupant Moving expenses Replacement Housing – Not to exceed \$25,500 • Business Moving expenses – In addition, a displaced business owner may file a claim for the following: <p>The cost directly related to modifying machinery, equipment, or other personal property to adopt it to the new site.</p> <p>The cost of any license, permit, or certification to reestablish a business at a new location</p> <p>The reasonable cost of any professional services necessary for planning the move, moving the property, or installation of property at the replacement site</p> <p>When an item is not moved but replaced with a comparable item, reimbursement shall be the lesser of replacement cost or estimated cost of moving by professional mover.</p>	<p style="text-align: center;">Ed. Code Section(s) 17072.13, 17072.35 & CA Code of Reg., Title 25, Section 6000 & SFP Reg. Section 1859.82</p>

Office of Public School Construction Application Number: _____

	Type of Expenditure	Authority
	<ul style="list-style-type: none">• Losses of Tangible Personal Property• Searching for a Replacement Site• Re-establishment Expenses• In Lieu Payments - Any displaced person who moves or discontinues their business may elect to receive a fixed relocation payment "in lieu" of moving, losses of tangible property, searching, and reestablishment costs.	

Office of Public School Construction Application Number: _____

**15. Facility Hardship (Seismic) – Replacement
Adjusted Grant
Common Eligible Project Expenditures**

Facility Hardship expenditures must be an eligible SFP expenditure to be considered allowable.

Only the minimum work necessary as indicated in the project’s industry specialist report, to mitigate the health and safety issue is eligible. This also includes any other work triggered by the health and safety mitigation work that is required in order to obtain DSA approval, such as required fire and life safety or access compliance work.

Elective work or upgrades outside of the required scope of work done by the District are not eligible for funding.

Construction contract must be executed on or after May 20, 2006.

CONSTRUCTION COSTS		
	Type of Expenditure	Authority
a.	Construction Management Fees	
b.	Building Construction Costs – Including: <ul style="list-style-type: none"> • Foundations • Structures • Exterior & Interior Finishes • Fittings & Fixtures • Plumbing • Electrical • Mechanical 	Ed. Code Section 17072.35 & SFP Reg. Section 1859.82
c.	Construction Security (Campus Security and administrative overhead – not eligible)	Ed. Code Section 17072.35* & SFP Reg. Section 1859.82
d.	Construction Tests	Ed. Code Section 17072.35 & SFP Reg. Section 1859.82
e.	Costs incurred to initiate, enforce and maintain a LCP, which may include school district “third party providers” costs, district’s own Force Account labor costs, or construction manager costs.	Labor Code Section 1771.1(a) & (b); SFP Reg. Sections

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CONSTRUCTION COSTS		
	Type of Expenditure	Authority
		1859.79.2 & 1859.82
f.	<p>Force Account Labor – complies with the Public Contract Code and is specific to the project, adhering to the following criteria outlined in Section 20114:</p> <ul style="list-style-type: none"> • For school districts with an average daily attendance less than 35,000, the total number of hours on the job does not exceed 350 hours • For school districts with an average daily attendance of 35,000 or greater, the total number of hours on the job does not exceed 750 hours or when the cost of material does not exceed \$21,000. • Must be work that involves a skilled trade. <p>To be eligible must be supported by time cards or time logs.</p>	PCC Section 20114 & SFP Reg. Section 1859.82
g.**	<p>General Site Development within school property lines (including, but not limited to):</p> <ul style="list-style-type: none"> • Finish Grading • Roads and Driveways • Sidewalks, stairs, & Ramps • Parking Area • Curbs and Gutters • Turfed/Paved Play Area • Playground Equipment • Surface Drains & Play Area • V-Gutters at Parking Lot • Landscaping & Irrigation System • Site Lighting • Fencing & Outdoor Walls 	SFP Reg. Sections 1859.76(d) & 1859.82
h.	Inspections – For services provided during construction of project.	Ed. Code Section 17072.35 & SFP

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CONSTRUCTION COSTS		
	Type of Expenditure	Authority
		Reg. Section 1859.82
i.	<p>Off-Site Development costs on up to two immediately adjacent sides of the site (see SFP Regulation Section 1859.76(b) for detail). Including:</p> <ul style="list-style-type: none"> • Curbs & Gutters • Sidewalks • Street Light, Planting Areas, Street Signs, • Traffic Signals, Etc., Mandated by Local Ordinances • Special District Fees • Storm Drains to Point of Connection • Safety Paths 	SFP Reg. Sections 1859.76(b) & 1859.82
j.**	<p>Service Site Development costs within school property lines (see SFP Regulation Section 1859.76(a) for detail). Including:</p> <ul style="list-style-type: none"> • Site Clearance • Demolition • Rerouting Utility Lines • Rough Grading • Soil Compaction • Storm Drains • Erosion Control • Outside Stairs & Retaining Walls • Relocation of Existing Portables • Fire Code Requirements • Multi-Level Parking 	SFP Reg. Sections 1859.76(a) & 1859.82
k.**	<p>Utility Service costs associated with the CDE approved site size that are necessary to serve the master planned capacity of the site (see SFP Regulation Section 1859.76(c) for more information) as follows:</p> <ul style="list-style-type: none"> • Water • Sewage 	SFP Reg. Sections 1859.76(c) & 1859.82

Office of Public School Construction Application Number: _____

CONSTRUCTION COSTS		
	Type of Expenditure	Authority
	<ul style="list-style-type: none"> • Gas • Electric • Communication systems 	
i.	<p>Furniture and Equipment that meet all of the criteria as described in the California School Accounting Manual (CSAM), Procedure 770 as follows:</p> <ul style="list-style-type: none"> • Lasts more than one year. • It is typically repaired rather than replaced. • It is an independent unit (rather than being incorporated into another unit item). • The cost of tagging and inventory is a small percentage of the item cost. • It exceeds the minimum dollar value of capitalization threshold established by the local educational agency. The following types of furniture and equipment are examples that would be eligible if they met the criteria for CSAM Procedure 770: <ul style="list-style-type: none"> • Projectors • Smart Boards • Freezers • Refrigerators • Stoves • Exercise equipment – Only if available for use by all students 	<p>Ed. Code Section 17072.35 & CSAM Procedure 770 & SFP Reg. Section 1859.82</p>
m.	<p>Furniture and Equipment:</p> <ul style="list-style-type: none"> • Desks • Chairs • Built-in Storage • Cabinets • Window Coverings • White/Chalk Boards • Library Books 	<p>Ed. Code Section 17072.35 & SFP Reg. Section 1859.82</p>
n.	Demolition Costs	Ed. Code Section 17072.35 & SFP

Office of Public School Construction Application Number: _____

CONSTRUCTION COSTS		
	Type of Expenditure	Authority
		Reg. Section 1859.82
o.	Interim Housing – only eligible if new construction additions are to an existing site where classrooms temporarily are inaccessible or unsafe to house students during construction.	Ed. Code Section 17072.35* & SFP Reg. Section 1859.82

*These costs are recognized as components of allowable costs pursuant to EC Section 17072.35, and may be included as allowable expenditures under the New Construction program.

**Eligible expenditures in these sections may exceed the amounts requested on the Funding Application.

Office of Public School Construction Application Number: _____

**16. Facility Hardship (Seismic) – Rehabilitation
Separate Apportionment for Design Costs
Or Adjusted Grant
Common Eligible Project Expenditures**

Facility Hardship expenditures must be an eligible SFP expenditure to be considered allowable.

Only the minimum work necessary as indicated in the project’s industry specialist report, to mitigate the health and safety issue is eligible. This also includes any other work triggered by the health and safety mitigation work that is required in order to obtain DSA approval, such as required fire and life safety or access compliance work.

Elective work or upgrades outside of the required scope of work done by the District are not eligible for funding.

Construction contract must be executed on or after May 20, 2006.

DESIGN COSTS		
	Type of Expenditure	Authority
a.	Advertising for Construction Bids	Ed Code Section 17074.25 & SFP Reg. Section 1859.82
b.	Architect’s Fee for Plans	
c.	CDE Plan Check or Site Review Fee	
d.	California Environmental Quality Act (CEQA) Associated Costs	SFP Reg. Sections 1859.105 & 1859.82
e.	Consultant Fees – specific to SFP project(s) (prorate if necessary)	Ed Code Section 17074.25* & SFP Reg. Section 1859.82
f.	Division of the State Architect (DSA) Plan Check Fee	Ed Code Section 17074.25 & SFP Reg. Section 1859.82

Office of Public School Construction Application Number: _____

DESIGN COSTS		
	Type of Expenditure	Authority
g.	Energy Analysis Fee	Ed Code Section 17074.25* & SFP Reg. Section 1859.82
h.	Legal Fees associated with: <ul style="list-style-type: none"> • The review of the SFP project-related lease agreements. • The review of the SFP project-related contracts between districts and contractors, architects, construction managers or engineers. • The review of the SFP project-related bid documents and bid responses. 	
i.	Local Agency Plan Check Fees	Ed Code Section 17074.25 & SFP Reg. Section 1859.82
j.	Preliminary Site Tests	
k.	Engineering Fees	

*These costs are recognized as components of allowable costs pursuant to EC Section 17074.25, and may be included as allowable expenditures under the Modernization program.

Office of Public School Construction Application Number: _____

**17. Facility Hardship (Seismic) – Rehabilitation
Adjusted Grant
Common Eligible Project Expenditures**

Facility Hardship expenditures must be an eligible SFP expenditure to be considered allowable.

Only the minimum work necessary as indicated in the project’s industry specialist report, to mitigate the health and safety issue is eligible. This also includes any other work triggered by the health and safety mitigation work that is required in order to obtain DSA approval, such as required fire and life safety or access compliance work.

Elective work or upgrades outside of the required scope of work done by the District are not eligible for funding.

Construction contract must be executed on or after May 20, 2006.

CONSTRUCTION COSTS		
	Type of Expenditure	Authority
a.	Construction Management Fees	Ed Code Section 17074.25 & SFP Reg. Section 1859.82
b.	Building Construction Costs – Including: <ul style="list-style-type: none"> • Foundations • Structures • Exterior & Interior Finishes • Fittings & Fixtures • Plumbing • Electrical • Mechanical 	
c.	Construction Security (Campus Security not eligible and administrative overhead not eligible)	Ed Code Section 17074.25* & SFP Reg. Section 1859.82
d.	Construction Tests	Ed Code Section 17074.25 & SFP Reg. Section 1859.82
e.	Costs incurred to initiate, enforce and maintain a LCP, which may include school district “third party providers” costs, district’s own Force Account labor costs, or construction manager costs.	Labor Code Section 1771.1(a) & (b) & SFP Reg. Section 1859.79.2 & 1859.82

Office of Public School Construction Application Number: _____

CONSTRUCTION COSTS		
	Type of Expenditure	Authority
f.	<p>Force Account Labor – complies with the Public Contract Code and is specific to the project, adhering to the following criteria outlined in Section 20114:</p> <ul style="list-style-type: none"> • For school districts with an average daily attendance less than 35,000, the total number of hours on the job does not exceed 350 hours • For school districts with an average daily attendance of 35,000 or greater, the total number of hours on the job does not exceed 750 hours or when the cost of material does not exceed \$21,000. • Must be work that involves a skilled trade. <p>To be eligible must be supported by time cards or time logs.</p>	PCC Section 20114 & SFP Reg. Section 1859.82
g.	Inspections – For services provided during construction of the project.	Ed Code Section 17074.25 & SFP Reg. Section 1859.82
h.**	Utility Services – Only if approved for 50 years or older permanent building Modernization project (see SFP Regulation Section 1859.78.7).	Ed Code Section 17074.25 & SFP Reg. Sections 1859.78.7 & 1859.82
i.	Demolition Costs	Ed Code Sections 17074.25 & 1859.82
j.	Interim Housing	Ed Code Sections 17074.25* & 1859.82

*These costs are recognized as components of allowable costs pursuant to EC Section 17074.25, and may be included as allowable expenditures under the Modernization program.

**Eligible expenditures in these sections may exceed the amounts requested on the Funding Application.

Office of Public School Construction Application Number: _____

H. Advisory Listing Detailing Common Ineligible Project Expenditures

The following tables are intended to provide advisory listings of common, but not exhaustive, ineligible Project expenditures.

In addition to the ineligible Project expenditures listed on the following tables, any costs associated with the Grantee's local debt issuance or interest on the Grantee's local bond(s) are also ineligible Project expenditures.

The Grantee may seek written clarification from OPSC for items not included in the lists of eligible and ineligible project expenditures. The local auditor may use the written response from OPSC to guide the audit of the project expenditures.

Office of Public School Construction Application Number: _____

- 1. New Construction – Separate Apportionment for Design Costs
Or Adjusted Grant
Charter Schools Facilities Program – Separate Apportionment for Design Costs
Or Adjusted Grant
Small School District Program – Separate Apportionment for Design Costs
Or Adjusted Grant
Common Ineligible Project Expenditures**

DESIGN COSTS		
	Type of Ineligible Expenditure	Authority
a.	Legal Fees not attributable to the project	Ed Code Section 17072.35
b.	For projects that received Design funds only any site and/or construction related expenditures are not eligible	
c.	<u>For the Small School District Program, services from a county office of education, other local educational agency with applicable school facilities construction expertise, applicable state department, or a certified private construction consulting entity not on the list maintained pursuant to paragraph (2) of subdivision (d) of Section 17078.47, to assist with the planning, site acquisition, preconstruction, construction, and closeout of a project.</u>	<u>Ed Code Section 17078.47</u>

- 2. New Construction – Separate Apportionment for Site Acquisition Costs
Charter Schools Facilities Program – Separate Apportionment for Site Acquisition Costs
Small School District Program – Separate Apportionment for Site Acquisition Costs
Common Ineligible Project Expenditures**

CONSTRUCTION COSTS		
	Type of Expenditure	Authority
a.	Relocation costs not considered reasonable such as: goodwill not court ordered; the difference between the salvage value and new value of furniture and equipment costs, if the business vendor retains the furniture and equipment.	Ed Code Section 17072.35
b.	For projects that received site funds only (did not receive construction funds) any construction related expenditures are not eligible.	

Office of Public School Construction Application Number: _____

**3. New Construction – Adjusted Grant
Charter Schools Facilities Program – Adjusted Grant
Small School District Program – Adjusted Grant
Common Ineligible Project Expenditures**

CONSTRUCTION COSTS		
	Type of Ineligible Expenditure	Authority
a.	Administrative and overhead costs including indirect costs for general management.	Ed Code Section 17072.35
b.	Campus supervision going beyond construction site security (such as campus security and administrative overhead).	
c.	Repair of damages incurred during construction are not eligible	
d.	Expenditures associated with Facility Hardship SAB approvals which were not constructed as originally approved (see Regulation Section 1859.82).	
e.	Operational costs (such as service contracts and maintenance expenses or commissioning).	
f.	Supplies as described in the California School Accounting Manual (CSAM), Procedure 770.	Ed Code Section 17072.35 & CSAM Procedure 770
g.	Items not considered Furniture and Equipment because they are considered operational or supplies in nature, including: <ul style="list-style-type: none"> • Computers • Printers • Computer Carts • Teacher and student text books. • Athletic Team supplies/training equipment/uniforms. • Classroom supplies/consumables Bunsen Burners, test tubes, chemicals, mechanic wrenches, etc. • Golf Carts • Trailers • Trucks/Tractors and cars • Landscape equipment 	

Office of Public School Construction Application Number: _____

CONSTRUCTION COSTS		
	Type of Ineligible Expenditure	Authority
	<p>Mowers, etc.</p> <ul style="list-style-type: none"> • School maintenance equipment • Floor polisher/scrubber, etc. • Cleaning & janitorial supplies • Band equipment/Uniforms • Mascot Uniforms 	
<u>h.</u>	<p><u>Services from a county office of education, other local educational agency with applicable school facilities construction expertise, applicable state department, or a certified private construction consulting entity not on the list maintained pursuant to paragraph (2) of subdivision (d) of Section 17078.47, to assist with the planning, site acquisition, preconstruction, construction, and closeout of a project.</u></p>	<p><u>Ed Code Section 17078.47</u></p>

Office of Public School Construction Application Number: _____

4. Modernization – Separate Apportionment for Design Costs Or Adjusted Grant
Small School District Program – Separate Apportionment of Design Costs Or Adjusted Grant
Common Ineligible Project Expenditures

DESIGN COSTS		
	Type of Expenditure	Authority
a.	Legal Fees not attributable to the project	Ed Code Section 17074.25
b.	For projects that received Design funds only any construction related expenditures are not eligible	
c.	<u>Services from a county office of education, other local educational agency with applicable school facilities construction expertise, applicable state department, or a certified private construction consulting entity not on the list maintained pursuant to paragraph (2) of subdivision (d) of Section 17078.47, to assist with the planning, site acquisition, preconstruction, construction, and closeout of a project.</u>	Ed Code Section <u>17078.47</u>

5. Modernization – Adjusted Grant
Small School District Program – Adjusted Grant
Common Ineligible Project Expenditures

	Type of Expenditure	Authority
a.	Administrative and overhead costs including indirect costs for general management.	Ed Code Section 17074.25
b.	Campus supervision going beyond construction site security (such as campus security and administrative overhead).	
c.	Repair of damages incurred during construction are not eligible	
d.	Expenditures associated with Facility Hardship SAB approvals which were not constructed as originally approved (see Regulation Section 1859.82).	
e.	Operational costs (such as service contracts and maintenance expenses or commissioning).	
f.	Supplies as described in the California School Accounting Manual (CSAM), Procedure 770.	

ATTACHMENT B
ATTACHMENT E

STATE OF CALIFORNIA
GRANT AGREEMENT

STATE ALLOCATION BOARD
OFFICE OF PUBLIC SCHOOL CONSTRUCTION
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[Proposition 2]
SCHOOL FACILITY PROGRAM
(New 03/25 xx/xx)

g.	<p>Items not considered Furniture and Equipment because they are considered operational or supplies in nature, including:</p> <ul style="list-style-type: none"> • Computers • Printers • Computer Carts • Teacher and student text books. 	<p>Ed Code Section 17074.25</p>
h.	<p><u>Services from a county office of education, other local educational agency with applicable school facilities construction expertise, applicable state department, or a certified private construction consulting entity not on the list maintained pursuant to paragraph (2) of subdivision (d) of Section 17078.47, to assist with the planning, site acquisition, preconstruction, construction, and closeout of a project.</u></p>	<p><u>Ed Code Section</u> <u>17078.47</u></p>

ATTACHMENT B
ATTACHMENT E

STATE OF CALIFORNIA
GRANT AGREEMENT
[Proposition 2]
SCHOOL FACILITY PROGRAM
(New 03/25 xx/xx)

STATE ALLOCATION BOARD
OFFICE OF PUBLIC SCHOOL CONSTRUCTION
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Office of Public School Construction Application Number: _____

	Type of Expenditure	Authority
	<ul style="list-style-type: none"> • Athletic Team supplies/training equipment/uniforms. • Classroom supplies/consumables Bunsen Burners, test tubes, chemicals, mechanic wrenches, etc. • Golf Carts • Trailers • Trucks/Tractors and cars • Landscape equipment Mowers, etc. • School maintenance equipment Floor polisher/scrubber, etc. • Cleaning & janitorial supplies • Band equipment/Uniforms • Mascot Uniforms 	

Office of Public School Construction Application Number: _____

**6. Career Technical Education Facilities Program – New Construction
Common Ineligible Project Expenditures**

	Type of Expenditure	Authority
a.	Acquisition and development of real estate.	Ed Code Section 17078.72 & SFP Reg. Sections 1859.193(a)&(b) & 1859.199
b.	Administrative and overhead costs including indirect costs for general management.	
c.	Campus supervision going beyond construction site security (such as campus security and administrative overhead).	
d.	Repair of damages incurred during construction are not eligible	
e.	Expenditures associated with Facility Hardship SAB approvals which were not constructed as originally approved (see Regulation Section 1859.82).	
f.	Operational costs (such as service contracts and maintenance expenses or commissioning).	
g.	Supplies as described in the California School Accounting Manual (CSAM), Procedure 770.	
h.	Items not considered Furniture and Equipment because they are considered operational or supplies in nature, including: <ul style="list-style-type: none"> • Computers • Printers • Computer Carts • Teacher and student text books. • Athletic Team supplies/training equipment/uniforms. • Classroom supplies/consumables Bunsen Burners, test tubes, chemicals, mechanic wrenches, etc. • Golf Carts • Trailers • Trucks/Tractors and cars 	Ed Code Section 17078.72 & SFP Reg. Sections 1859.193(a)&(b) & 1859.199

Office of Public School Construction Application Number: _____

	Type of Expenditure	Authority
	<ul style="list-style-type: none"> • Landscape equipment Mowers, etc. • School maintenance equipment Floor polisher/scrubber, etc. • Cleaning & janitorial supplies • Band equipment/Uniforms • Mascot Uniforms 	
i.	Career Technical Education Facilities Program expenditures for equipment which does not have an average life expectancy of at least 10 years.	Ed Code Section 17078.72(a) & SFP Reg. Sections 1859.193(a)&(b) & 1859.199

Office of Public School Construction Application Number: _____

**7. Career Technical Education Facilities Program – Modernization
Common Ineligible Project Expenditures**

	Type of Expenditure	Authority
a.	Acquisition and development of real estate.	Ed Code Section 17078.72 & SFP Reg. Sections 1859.193(c) & 1859.199
b.	Administrative and overhead costs including indirect costs for general management.	
c.	Campus supervision going beyond construction site security (such as campus security and administrative overhead).	
d.	Repair of damages incurred during construction are not eligible	
e.	Expenditures associated with Facility Hardship SAB approvals which were not constructed as originally approved (see Regulation Section 1859.82).	
f.	Operational costs (such as service contracts and maintenance expenses or commissioning).	
g.	Supplies as described in the California School Accounting Manual (CSAM), Procedure 770.	
h.	Items not considered Furniture and Equipment because they are considered operational or supplies in nature, including: <ul style="list-style-type: none"> • Computers • Printers • Computer Carts • Teacher and student text books. • Athletic Team supplies/training equipment/uniforms. • Classroom supplies/consumables Bunsen Burners, test tubes, chemicals, mechanic wrenches, etc. • Golf Carts • Trailers • Trucks/Tractors and cars 	

Office of Public School Construction Application Number: _____

	Type of Expenditure	Authority
	<ul style="list-style-type: none"> • Landscape equipment Mowers, etc. • School maintenance equipment Floor polisher/scrubber, etc. • Cleaning & janitorial supplies • Band equipment/Uniforms • Mascot Uniforms 	
i.	Career Technical Education Facilities Program expenditures for equipment which does not have an average life expectancy of at least 10 years.	Ed Code Section 17078.72(a) & SFP Reg. Sections 1859.193(c) & 1859.199

Office of Public School Construction Application Number: _____

**8. Facility Hardship (Non-Seismic) – Replacement
Separate Apportionment for Design Costs
Or Adjusted Grant
Common Ineligible Project Expenditures**

If the facility hardship expenditure is not able to be categorized on the list of eligible SFP expenditures then it is considered ineligible.

Any work beyond the minimum work necessary, as indicated in the project’s industry specialist report, to mitigate the health and safety issue(s), or work that was triggered by the health and safety mitigation work and that is required in order to obtain DSA approval, is not eligible.

Elective work or upgrades outside of the required scope of work done by the District are not eligible for funding.

DESIGN COSTS		
	Type of Ineligible Expenditure	Authority
a.	Legal Fees not attributable to the project	Ed Code Section 17072.35 & SFP Reg. Section 1859.82
b.	For projects that received Design funds only any site and/or construction related expenditures are not eligible	

Office of Public School Construction Application Number: _____

**9. Facility Hardship (Non-Seismic) – Replacement
Separate Apportionment for Site Acquisition Costs
Common Ineligible Project Expenditures**

If the facility hardship expenditure is not able to be categorized on the list of eligible SFP expenditures then it is considered ineligible.

Any work beyond the minimum work necessary, as indicated in the project’s industry specialist report, to mitigate the health and safety issue(s), or work that was triggered by the health and safety mitigation work and that is required in order to obtain DSA approval, is not eligible.

Elective work or upgrades outside of the required scope of work done by the District are not eligible for funding.

CONSTRUCTION COSTS		
	Type of Expenditure	Authority
a.	Relocation costs not considered reasonable such as: goodwill not court ordered; the difference between the salvage value and new value of furniture and equipment costs, if the business vendor retains the furniture and equipment.	Ed Code Section 17072.35
b.	For projects that received site funds only (did not receive construction funds) any construction related expenditures are not eligible.	

Office of Public School Construction Application Number: _____

**10. Facility Hardship (Non-Seismic) – Replacement
Adjusted Grant
Common Ineligible Project Expenditures**

If the facility hardship expenditure is not able to be categorized on the list of eligible SFP expenditures then it is considered ineligible.

Any work beyond the minimum work necessary, as indicated in the project’s industry specialist report, to mitigate the health and safety issue(s), or work that was triggered by the health and safety mitigation work and that is required in order to obtain DSA approval, is not eligible.

Elective work or upgrades outside of the required scope of work done by the District are not eligible for funding.

CONSTRUCTION COSTS		
	Type of Ineligible Expenditure	Authority
a.	Administrative and overhead costs including indirect costs for general management.	Ed Code Section 17072.35 & SFP Reg. Section 1859.82
b.	Campus supervision going beyond construction site security (such as campus security and administrative overhead).	
c.	Repair of damages incurred during construction are not eligible	
d.	Expenditures which have been reimbursed from another source such as insurance proceeds.	
e.	Expenditures associated with Facility Hardship SAB approvals which were not constructed as originally approved (see Regulation Section 1859.82).	
f.	Operational costs (such as service contracts and maintenance expenses or commissioning).	
g.	Supplies as described in the California School Accounting Manual (CSAM), Procedure 770.	Ed Code Section 17072.35 & SFP Reg. Section 1859.82
h.	Items not considered Furniture and Equipment because it is considered operational or supplies in nature are not eligible, including: <ul style="list-style-type: none"> • Computers • Printers 	

Office of Public School Construction Application Number: _____

CONSTRUCTION COSTS		
	Type of Ineligible Expenditure	Authority
	<ul style="list-style-type: none"> • Computer Carts • Teacher and student text books. • Athletic Team supplies/training equipment/uniforms. • Classroom supplies/consumables Bunsen Burners, test tubes, chemicals, mechanic wrenches, etc. • Golf Carts • Trailers • Trucks/Tractors and cars • Landscape equipment Mowers, etc. • School maintenance equipment Floor polisher/scrubber, etc. • Cleaning & janitorial supplies • Band equipment/Uniforms • Mascot Uniforms 	

Office of Public School Construction Application Number: _____

**11. Facility Hardship (Non-Seismic) – Rehabilitation
Separate Apportionment for Design Costs
Or Adjusted Grant
Common Ineligible Project Expenditures**

If the facility hardship expenditure is not able to be categorized on the list of eligible SFP expenditures then it is considered ineligible.

Any work beyond the minimum work necessary, as indicated in the project’s industry specialist report, to mitigate the health and safety issue(s), or work that was triggered by the health and safety mitigation work and that is required in order to obtain DSA approval, is not eligible.

Elective work or upgrades outside of the required scope of work done by the District are not eligible for funding.

DESIGN COSTS		
	Type of Expenditure	Authority
a.	Legal Fees not attributable to the project	Ed Code Section 17074.25 & SFP
b.	For projects that received Design funds only any construction related expenditures are not eligible	Reg. Section 1859.82

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**12. Facility Hardship (Non-Seismic) – Rehabilitation
Adjusted Grant
Common Ineligible Project Expenditures**

If the facility hardship expenditure is not able to be categorized on the list of eligible SFP expenditures then it is considered ineligible.

Any work beyond the minimum work necessary, as indicated in the project’s industry specialist report, to mitigate the health and safety issue(s), or work that was triggered by the health and safety mitigation work and that is required in order to obtain DSA approval, is not eligible.

Elective work or upgrades outside of the required scope of work done by the District are not eligible for funding.

	Type of Expenditure	Authority
a.	Administrative and overhead costs including indirect costs for general management.	Ed Code Section 17074.25 & SFP Reg. Section 1859.82
b.	Campus supervision going beyond construction site security (such as campus security and administrative overhead).	
c.	Expenditures which have been reimbursed from another source such as insurance proceeds.	
d.	Repair of damages incurred during construction are not eligible	
e.	Expenditures associated with Facility Hardship SAB approvals which were not constructed as originally approved (see Regulation Section 1859.82).	
f.	Operational costs (such as service contracts and maintenance expenses or commissioning).	
g.	Supplies as described in the California School Accounting Manual (CSAM), Procedure 770.	Ed Code Section 17074.25 & SFP Reg. Section 1859.82
h.	Furniture and Equipment is not an eligible cost for a facility hardship rehabilitation project unless specifically approved by DSA.	

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**13. Facility Hardship (Seismic) – Replacement
Separate Apportionment for Design Costs
Or Adjusted Grant
Common Ineligible Project Expenditures**

If the facility hardship expenditure is not able to be categorized on the list of eligible SFP expenditures then it is considered ineligible.

Any work beyond the minimum work necessary, as indicated in the project’s industry specialist report, to mitigate the health and safety issue(s), or work that was triggered by the health and safety mitigation work and that is required in order to obtain DSA approval, is not eligible.

Elective work or upgrades outside of the required scope of work done by the District are not eligible for funding.

Construction contract executed prior to May 20, 2006 is not eligible.

DESIGN COSTS		
	Type of Ineligible Expenditure	Authority
a.	Legal Fees not attributable to the project	Ed Code Section 17072.35 & SFP Reg. Section 1859.82
b.	For projects that received Design funds only any site and/or construction related expenditures are not eligible	

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**14. Facility Hardship (Seismic) – Replacement
Separate Apportionment for Site Acquisition Costs
Common Ineligible Project Expenditures**

If the facility hardship expenditure is not able to be categorized on the list of eligible SFP expenditures then it is considered ineligible.

Any work beyond the minimum work necessary, as indicated in the project’s industry specialist report, to mitigate the health and safety issue(s), or work that was triggered by the health and safety mitigation work and that is required in order to obtain DSA approval, is not eligible.

Elective work or upgrades outside of the required scope of work done by the District are not eligible for funding.

Construction contract executed prior to May 20, 2006 is not eligible.

CONSTRUCTION COSTS		
	Type of Expenditure	Authority
a.	Relocation costs not considered reasonable such as: goodwill not court ordered; the difference between the salvage value and new value of furniture and equipment costs, if the business vendor retains the furniture and equipment.	Ed Code Section 17072.35
b.	For projects that received site funds only (did not receive construction funds) any construction related expenditures are not eligible.	

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**15. Facility Hardship (Seismic) – Replacement
Adjusted Grant
Common Ineligible Project Expenditures**

If the facility hardship expenditure is not able to be categorized on the list of eligible SFP expenditures then it is considered ineligible.

Any work beyond the minimum work necessary, as indicated in the project’s industry specialist report, to mitigate the health and safety issue(s), or work that was triggered by the health and safety mitigation work and that is required in order to obtain DSA approval, is not eligible.

Elective work or upgrades outside of the required scope of work done by the District are not eligible for funding.

Construction contract executed prior to May 20, 2006 is not eligible.

CONSTRUCTION COSTS		
	Type of Ineligible Expenditure	Authority
a.	Administrative and overhead costs including indirect costs for general management.	Ed Code Section 17072.35 & SFP Reg. Section 1859.82
b.	Campus supervision going beyond construction site security (such as campus security and administrative overhead).	
c.	Repair of damages incurred during construction are not eligible	
d.	Expenditures which have been reimbursed from another source such as insurance proceeds.	
e.	Expenditures associated with Facility Hardship SAB approvals which were not constructed as originally approved (see Regulation Section 1859.82).	
f.	Operational costs (such as service contracts and maintenance expenses or commissioning).	
g.	Supplies as described in the California School Accounting Manual (CSAM), Procedure 770.	Ed Code Section 17072.35 & SFP

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CONSTRUCTION COSTS		
	Type of Ineligible Expenditure	Authority
h.	<p>Items not considered Furniture and Equipment because it is considered operational or supplies in nature are not eligible, including:</p> <ul style="list-style-type: none"> • Computers • Printers • Computer Carts • Teacher and student text books. • Athletic Team supplies/training equipment/uniforms. • Classroom supplies/consumables Bunsen Burners, test tubes, chemicals, mechanic wrenches, etc. • Golf Carts • Trailers • Trucks/Tractors and cars • Landscape equipment Mowers, etc. • School maintenance equipment Floor polisher/scrubber, etc. • Cleaning & janitorial supplies • Band equipment/Uniforms • Mascot Uniforms 	Reg. Section 1859.82

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**16. Facility Hardship (Seismic) – Rehabilitation
Separate Apportionment for Design Costs
Or Adjusted Grant
Common Ineligible Project Expenditures**

If the facility hardship expenditure is not able to be categorized on the list of eligible SFP expenditures then it is considered ineligible.

Any work beyond the minimum work necessary, as indicated in the project’s industry specialist report, to mitigate the health and safety issue(s), or work that was triggered by the health and safety mitigation work and that is required in order to obtain DSA approval, is not eligible.

Elective work or upgrades outside of the required scope of work done by the District are not eligible for funding.

Construction contract executed prior to May 20, 2006 is not eligible.

DESIGN COSTS		
	Type of Expenditure	Authority
a.	Legal Fees not attributable to the project	Ed Code Section 17074.25 & SFP Reg. Section 1859.82
b.	For projects that received Design funds only any construction related expenditures are not eligible	

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**17. Facility Hardship (Seismic) – Rehabilitation
Adjusted Grant
Common Ineligible Project Expenditures**

If the facility hardship expenditure is not able to be categorized on the list of eligible SFP expenditures then it is considered ineligible.

Any work beyond the minimum work necessary, as indicated in the project’s industry specialist report, to mitigate the health and safety issue(s), or work that was triggered by the health and safety mitigation work and that is required in order to obtain DSA approval, is not eligible.

Elective work or upgrades outside of the required scope of work done by the District are not eligible for funding.

Construction contract executed prior to May 20, 2006 is not eligible.

	Type of Expenditure	Authority
a.	Administrative and overhead costs including indirect costs for general management.	Ed Code Section 17074.25 & SFP Reg. Section 1859.82
b.	Campus supervision going beyond construction site security (such as campus security and administrative overhead).	
c.	Expenditures which have been reimbursed from another source such as insurance proceeds.	
d.	Repair of damages incurred during construction are not eligible	
e.	Expenditures associated with Facility Hardship SAB approvals which were not constructed as originally approved (see Regulation Section 1859.82).	
f.	Operational costs (such as service contracts and maintenance expenses or commissioning).	
g.	Supplies as described in the California School Accounting Manual (CSAM), Procedure 770.	Ed Code Section 17074.25 & SFP Reg. Section 1859.82
h.	Furniture and Equipment is not eligible for a facility hardship rehabilitation project unless specifically approves by DSA.	

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I. Record Retention

Grantee shall maintain satisfactory financial accounts, documents, and records for the Project, at a Project-specific level of detail. Grantee shall also retain such financial accounts, documents, and records necessary for an audit, pursuant to Education Code Section 41024(a)(4).

Financial accounts, documents, and records may be retained electronically.
(Authority: Government Code Section 12275(a) and (b), and Education Code Section 41024)

J. Material Inaccuracy

If a failure by the Grantee to comply with the terms of this Agreement, or an audit report determination that the Grantee has violated applicable state or federal law as it relates to this Project, stems from falsely certified information on the Funding Application or Fund Release Application (including certifications made by architects or other design professionals), then Material Inaccuracy findings and penalties, as described in Education Code 17070.51 and SFP Regulation Section 1859.104.1, may apply.

K. Conflict of Interest

All Grantees are subject to State and Federal conflict of interest laws. Failure to comply with these laws, including business and financial disclosure provisions, will result in the application being rejected and any subsequent contract being declared void. Other legal action may also be taken. Applicable statutes include, but are not limited to, Government Code, Section 1090 and Public Contract Code, Sections 10410 and 10411, for State conflict of interest requirements.

1. Employees of the Grantee: Employees of the Grantee shall comply with all applicable provisions of law pertaining to conflicts of interest, including, but not limited to any applicable conflict of interest provisions of the California Political Reform Act, Cal. Gov't Code § 87100 et seq.
2. Employees and Consultants to the Grantee: Individuals working on behalf of the Grantee may be required by the Department to file a Statement of Economic Interests (Fair Political Practices Commission Form 700) if it is determined that an individual is a consultant for Political Reform Act purposes.

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L. Severability

If any provision of this Agreement or the application thereof is held invalid, that invalidity shall not affect other provisions or applications of this Agreement which can be given effect without the invalid provision or application, and to this end the provisions of this Agreement are severable.

M. Disputes

1. Any claim that the Grantee may have regarding performance of this agreement including, but not limited to, claims for additional compensation or extension of time, shall be submitted to the Office of Public School Construction. The Office of Public School Construction and Grantee shall then attempt to negotiate a resolution of such claim and process an amendment to this Agreement to implement the terms of any such resolution.
2. Any claim that the Grantee may have regarding the audit report's project expenditure determination shall be adjudicated by the Education Audit Appeals Panel, consistent with Education Code Section 41344.

N. Electronic Filing

Any communication under this Grant Agreement shall be in writing and may be transmitted by electronic means. Communication sent electronically will be effective on the date of transmission.

O. Supplement, Not Supplant

The terms and conditions of this Agreement are intended to supplement, not supplant, the laws and regulations that apply to this Project. The Grantee understands and agrees to adhere to all laws and regulations that apply to this Project, even if those laws and regulations are not specifically cited in this Agreement.

P. Exact Duplicate

This Agreement is an exact duplicate (verbatim) of the Agreement provided by the Office of Public School Construction. In the event a conflict should exist, the language in the Agreement provided by the Office of Public School Construction will prevail.

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SIGNATURES

The statements set forth in this Agreement are true and correct to the best of my knowledge and belief. IN WITNESS WHEREOF, this Agreement has been executed by the parties.

NAME OF GRANTEE REPRESENTATIVE (PRINT)	PHONE NUMBER
SIGNATURE OF GRANTEE REPRESENTATIVE	DATE
SIGNATURE OF EXECUTIVE OFFICER OF THE OFFICE OF PUBLIC SCHOOL CONSTRUCTION, OR DESIGNEE	DATE